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North Carolina Utilities Commission



*1991 Report - Volume XXII
Major Activities - April 1990 through March 1991 with
Statistical and Analytical Data through 1989*

1991 Report — VOL. XXII

Major Activities — April 1990 through March 1991

with

Statistical and Analytical Data Through 1989



ABOUT THE COVER:

The North Carolina Utilities Commission celebrated its 100th year of regulation in 1991. These 100 years have produced tremendous savings and benefits to the consumers, while at the same time promoting high quality and adequate service. During this same period, the Utilities have developed and remained profitable and efficient companies producing fair and reasonable rates of return to the shareholders. As the Commission enters its next century of operation, it will continue to serve the needs of the consumer as well as the utility companies, and face the challenges and complexities that technological advances create with confidence and pride. Since 1933 there have been 44 Commissioners appointed by the various Governors (see page 4 for list of Commissioners). The Commission was created in 1891 as the Railroad Commission and regulated approximately 70 railroads, steamboats, canal companies and express and telegraph companies, becoming the Corporation Commission in 1899. At the present time there are more than 10 separate categories of utilities being regulated totaling more than 2,000 companies.

North Carolina Utilities Commission



1891 - 1991

*1991 Report - Volume XXII
Major Activities - April 1990 through March 1991 with
Statistical and Analytical Data through 1989*

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LETTER OF TRANSMITTAL

June 30, 1991

The Honorable James G. Martin
The Governor of North Carolina
Raleigh, North Carolina

Dear Governor Martin:

We hereby present for your consideration the 1991 Report of the North Carolina Utilities Commission pursuant to Section 17 of the Public Utilities Act of 1963 as amended in 1977 (G.S. 62-17). The report covers the major activities of the Commission for the period April 1990 through March 1991 with statistical and analytical data for the operations of the utilities through 1989.

Respectfully submitted,

William W. Redman, Jr., Chairman
Sarah Lindsay Tate
Ruth E. Cook
J. A. "Chip" Wright
Robert O. Wells
Charles H. Hughes
Laurence A. Cobb

Prepared by

North Carolina Utilities Commission
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I. Organization And History

A. COMMISSION STAFF AND ORGANIZATION CHART

There were seven Commissioners and 50 Commission Staff positions as of June 30, 1991. Commissioners are appointed by the Governor subject to the confirmation by the General Assembly in joint session.

**NORTH CAROLINA UTILITIES COMMISSION
COMMISSION STAFF
Commissioners and Supervisory Personnel
June 30, 1991**

Commissioners
William W. Redman, Jr., Chairman

Sarah Lindsay Tate Commissioner	Julius A. Wright Commissioner
Robert O. Wells Commissioner	Laurence A. Cobb Commissioner
Ruth E. Cook Commissioner	Charles H. Hughes Commissioner
Allyson K. Duncan (replacement for Ruth E. Cook) Commissioner	

Staff Heads and Directors

Chief Clerk.	.Geneva S. Thigpen
Legal Division	.Robert H. Bennink, Jr.
Accounting Division.	.Donald R. Hoover
Engineering Division, Electric	.David F. Creasy
Finance, Statistics, and Fiscal Affairs Division	.Joseph W. Smith
Transportation Division (Includes Motor & Rail).	.Barbara A. Sharpe
Natural Gas Division	.William R. Gilmore
Telecommunications Division.	.Mary J. Steel

FIGURE NO. 1-1

COMMISSION STAFF-ORGANIZATION CHART

June 30, 1991

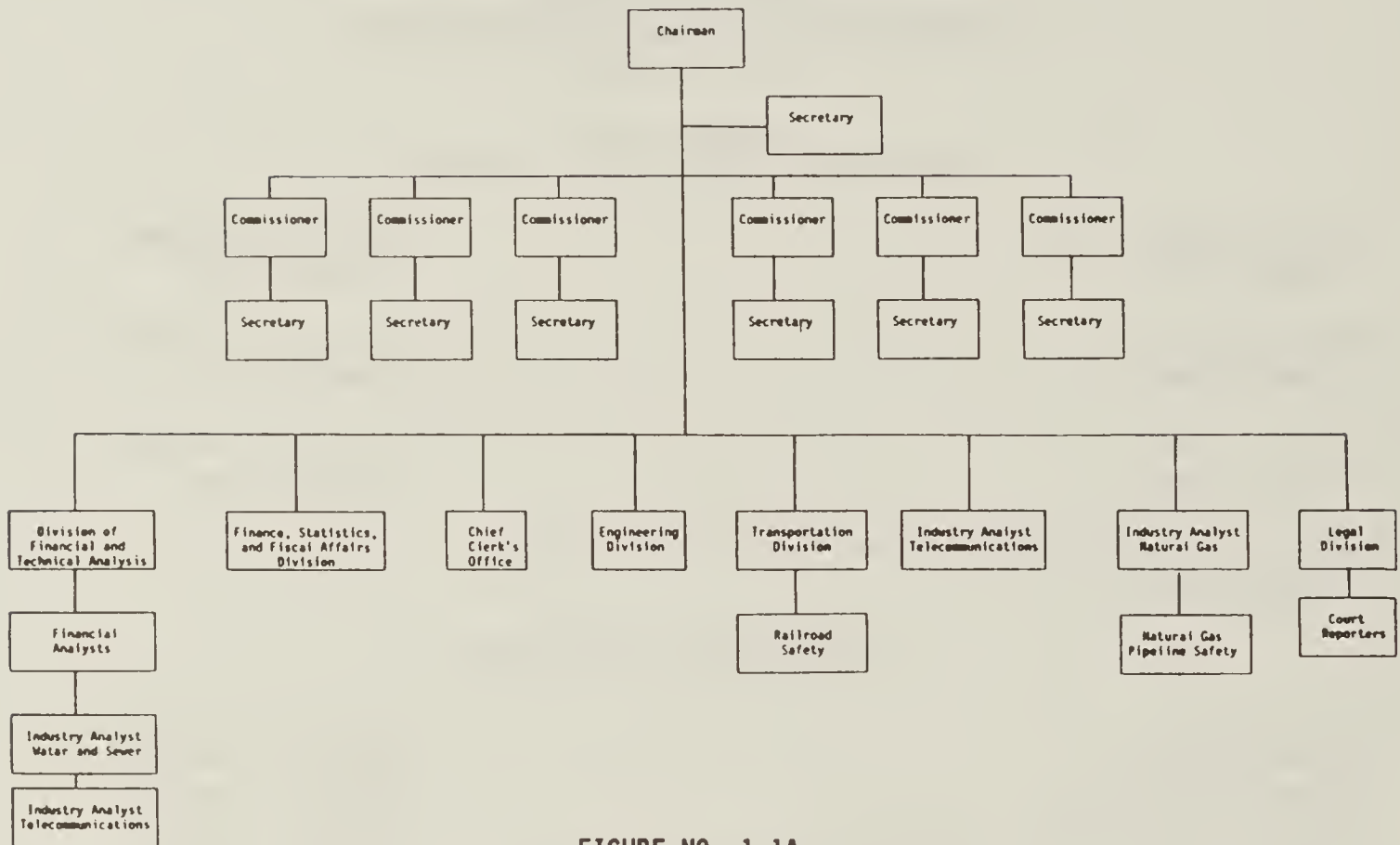


FIGURE NO. 1-1A

LEADERSHIP OF STATE REGULATORY ACTIVITIES 1891-1933

1.	James W. Wilson (1891-1896)**	Railroad Commission of N. C.
2.	Thomas W. Mason (1891-1894)	Railroad Commission of N. C.
3.*	E. C. Beddingfield (1891-1896)	Railroad Commission of N. C.
4.	S. Otho Wilson (1895-1896)	Railroad Commission of N. C.
5.	L. C. Caldwell (1897-1898)**	Railroad Commission of N. C.
6.	Jonathan H. Pearson (1897-1898)	Railroad Commission of N. C.
7.	D. H. Abbott (1897-1903)	Railroad Commission of N. C.
8.	Franklin McNeill (1899-1911)**	N. C. Corporation Commission
9.	Sam L. Rogers (1899-1910)	N. C. Corporation Commission
*	E. C. Beddingfield (1904-1908)	N. C. Corporation Commission
10.	Henry C. Brown (1910-1910)	N. C. Corporation Commission
11.	William T. Lee (1911-1932)**	N. C. Corporation Commission
12.	Edward L. Travis (1911-1916)**	N. C. Corporation Commission
13.	George P. Pell (1912-1932)	N. C. Corporation Commission
14.	A. J. Maxwell (1917-1928)	N. C. Corporation Commission
15.	Stanley Winborne (1929-1932)**	N. C. Corporation Commission

Became Chairman of the N. C. Utilities Commission in 1933.

Note: The Commission was the Railroad Commission of North Carolina from 1891-1898, the North Carolina Corporation Commission from 1899-1932, becoming the North Carolina Utilities Commission in 1933. See page 10, Historical Sketch of Development for additional information.

*Served at two separate times.

**Served part of Commissionership as Chairman.

FIGURE NO. 1-1A Continued

NORTH CAROLINA UTILITIES COMMISSION
COMMISSIONERS LISTED IN ORDER OF APPOINTMENT
APPROXIMATE YEARS OF SERVICE GIVEN IN PARENTHESES

- * 1. Stanley Winborne (1933-1958)**
- * 2. F. L. Seely (1933-1940)
- * 3. Frank W. Hanft (1933-1940)
- * 4. Fred C. Hunter (1941-1955)
- * 5. Robert Grady Johnson (1941-1948)
- * 6. Joshua S. James (1949-1953)
- * 7. Edward R. McMahan (1949-1958)
- * 8. Harry T. Westcott (1949-1972)**
- * 9. Sam O. Worthington (1952-1966)
- * 10. Ralph Moody (1955-1957)
- * 11. R. Lee Whitmire (1957-1958)
- * 12. Clarence H. Noah (1958-1966)
- * 13. Richard G. Long (1958-1960)
- 14. Thomas R. Eller, Jr. (1958-1968)
- * 15. R. Brookes Peters (1960-1966)
- 16. John Worth McDevitt (1966-1973)
- 17. M. Alexander Biggs, Jr. (1967-1969)
- 18. Clawson L. Williams, Jr. (1967-1970)
- 19. Marvin R. Wooten (1968-1976)**
- * 20. Miles H. Rhyne (1970-1973)
- 21. Hugh A. Wells (1970-1974)
- * 22. Ben E. Roney (1973-1979)
- 23. Tenney I. Deane, Jr. (1973-1977)**
- 24. George T. Clark, Jr. (1974-1976)
- 25. J. Ward Purrington (1975-1977)
- 26. W. Lester Teal, Jr. (1975-1977)
- 27. Barbara A. Simpson (1975-1977)
- 28. W. Scott Harvey (1976-1977)
- 29. Dr. Robert K. Koger (1977-1988)**
- 30. Dr. Leigh H. Hammond (1977-1984)
- 31. Sarah Lindsay Tate (1977-)
- 32. Dr. Robert Fischbach (1977-1979)
- 33. John W. Winters (1977-1983)
- 34. Edward B. Hipp (1977-1989)
- 35. A. Hartwell Campbell (1979-1986)
- 36. Douglas P. Leary (1980-1984)
- 37. Ruth E. Cook (1983-1991)
- 38. Charles E. Branford (1984-1985)
- 39. Hugh A. Crigler (1984-1985)
- 40. Julius A. Wright (1985-)
- 41. Robert O. Wells (1985-)**
- 42. William W. Redman, Jr. (1987-)**
- 43. Charles H. Hughes (1989-)
- 44. Laurence A. Cobb (1989-)
- 45. Allyson K. Duncan (1991-)***

* Deceased

** Served part of Commissionership as Chairman.

*** Replaced Ruth E. Cook effective July 1, 1991.

NOTE: Appointments for Utilities Commissioners have never been on a calendar year basis; therefore, the years of service given in parentheses represent the (a) year in which the Commission was appointed, and (b) the year in which service ended.

**B. BIOGRAPHICAL SKETCH OF EACH
COMMISSIONER AS OF JUNE 30, 1990**

WILLIAM W. REDMAN, JR., CHAIRMAN:

Born October 15, 1933, in Statesville, Iredell County, North Carolina; University of Southern California (1966); Embry-Riddle Aeronautical University (1972) (BS); Realtors Institute, University of North Carolina at Chapel Hill (1978), GRI; Bank Marketing Institute, University of Maryland (1974); Real Estate Broker; Retired Military Officer; Member, North Carolina Senate (1979-80), (1981-82), (1983-84), (1985-87); Member, North Carolina Senate, Senate Minority Leader (1985-87); Member, Mental Health Study Commission (1984-87); "Valand Award", North Carolina Mental Health Association (1986); Board of Trustees, Gardner-Webb College; National Judicial College (Administrative Law) (1988); Director, North Carolina Solar Center; Director, North Carolina United Way; served United States Army (1954-1974) (Lt. Col.); Master Aviator and Commercial Pilot; Distinguished Flying Crosses (2); Bronze Stars (3); Air Medals (16); Infantry Officer Candidate "Hall of Fame" (1982); assumed Commissionership March 17, 1987, current term ends June 30, 1995; married (Libby), three children.

ROBERT O. WELLS, COMMISSIONER: Born June 16, 1938, in Jones County, North Carolina; University of North Carolina at Chapel Hill (BA); Wells Insurance Agency (1963-85); Member, High Point City Council (1973-77); Member, High Point Planning and Zoning Commission (1978-81); Member, High Point Economic Development Corporation (1981-85); Member Economic and Community Development Committee, North Carolina League of Cities (1983-85); Member, Transportation and Commerce Committee, National League of Cities (1985); Mayor, City of High Point (1981-85); assumed Commissionership July 1, 1985, current term ends June 30, 1993; married (Linda), four children.

SARAH LINDSAY TATE, COMMISSIONER: Born March 14, 1927, in Charlotte, North Carolina; University of North Carolina (AB, LLB); Raleigh Community Relations Commission, associate counsel for insurance companies, private law practice; assumed Commissionership May 24, 1977, current term ends June 30, 1993; one daughter.

RUTH E. COOK, COMMISSIONER: Born November 11, 1929, in Berlin, Germany; New York University; Member of the North Carolina House of Representatives (1974-83); Chairman of Appropriations Base Budget Committee on Human Resources; Chairman, Consumer Protection Committee of the Southern Legislative Conference of the Council of State Governments (1982); The N. C. Housing Programs Study Commission, Chairman (1981-82); Governor's Task Force on Science and Technology (1982); Savings and Loan Study Commission (1980); Board of Directors of North Carolina Housing Finance Agency (1981); Chairman, North Carolina Council for the Hearing Impaired (1979); Executive Director, State Council for Social Legislation (1966-74); President, North Carolina Consumers Council (1977); Charter Board Member, Raleigh Inter-Church Housing Corporation (1966-69); President, Raleigh/Wake League of Women Voters (1963-65); Member Women Executives in State Government; First Vice President of the Southeastern Association of Regulatory Utility Commissioners (1988-89); Member, Board of the North Carolina Center for Public Policy Research; Member, Board of the North Carolina Arts Advocates; assumed Commissionership July 1, 1983, term ended June 30, 1991; husband (deceased), two children.

JULIUS A. WRIGHT, COMMISSIONER: Born October 10, 1951, in Waycross, Georgia; Valdosta State College (BS Chemistry), Georgia State University (MBA Finance); Chemist, Occidental Petroleum Corporation (1975-76); Research Chemist, Chemical Products Corporation (1976-79); Senior Project Engineer, Corning Glass Works (1979-85); Owner, Video Investment

Corporation (1982-85); North Carolina State Senator (three terms, 1981-85); assumed Commissionership June 30, 1985, current term ends June 30, 1993; married (Phyllis), two daughters.

CHARLES H. HUGHES, COMMISSIONER: Born April 20, 1945, in Asheboro, North Carolina; Randolph Tech (1963); Greensboro College (1963-65); General Acceptance Corporation, Consumer Finance Degree (1965); Bank Administration Institute, General (1971-76); University of North Carolina School of Banking (1974); Mesco Building Systems, Estimating and Engineering (1977); Kirby Building Systems, Estimating and Engineering (1979); Bank of North Carolina, Hendersonville, N. C. (1971-77); President-owner of Hughes Building Corporation (1979-81); North Carolina House of Representatives (1980-85); Self-Employed, Marketing and Sales (1981-85); Director, Research, State of North Carolina Governor's Office (1984-89); Member, Elks Club, Lions Club, Hendersonville Jaycees, Western North Carolina Sportsman's Association, and Hendersonville Chamber of Commerce; assumed Commissionership April 3, 1989; current term ends June 30, 1997; married (Suzanne), two children.

LAURENCE A. COBB, COMMISSIONER: Born May 20, 1933, in Teaneck, New Jersey; Rutgers University (1951-52); UNC-Chapel Hill (1955); Washburn University (1955-57); UNC-Chapel Hill, School of Law (1958), J. D.; Member North Carolina Senate (1985-86), (1987-88), (1988-89); former Senate Minority Leader; North Carolina House of Representative (1971-76); former House Minority Leader; N. C. Chairman, Bush for President (1980), (1988); N. C. Chairman, Republican Victory 88 (1988); Member of Board of Governors, University of North Carolina (1977-85); Member, UNC-Chapel Hill and UNCC Boards of Visitors; Former Chairman, Governor's Highway Safety Commission; Former Chairman, Governor's Crime Commission; Former Member North Carolina Courts Commission; Citizens Criminal Justice Commission; Former

Member, Advisory Budget Commission; Former President and Director, Lawyers of N. C., Inc.; Former Director, UNC Law School Association; U. S. Air Force (1959-62); Reserves (1962-89) (Colonel), Judge Advocate General Corps; Commissionership August 14, 1989, current term ends June 30, 1997; married (Edna Faye), two children.

ALLYSON K. DUNCAN, COMMISSIONER: Born September 5, 1951, in Durham, North Carolina; Hampton University (BA); Duke University School of Law (JD), Judge, North Carolina Court of Appeals (1990); Associate Professor of Law, North Carolina Central University School of Law (1986-1990); Legal Counsel, Equal Employment Opportunity Commission (1984-1986); Executive Assistant to the Chairman (1982-1984); Appellate Attorney (1978-1982); Law Clerk to the Honorable Julia Cooper Mack, District of Columbia Court of Appeals (1977-1978); Associate Editor, Lawyers Co-operative Legal Publishing (1976-1977). Author, North Carolina Appellate Advocacy (1989); Member, Board of Directors of the North Carolina Center for Public Policy Research; Member, Board of Directors of the Agency for Public Telecommunications; Member, Board of Trustees of the North Carolina Symphony; Member of the North Carolina and Washington, D.C. Bars; Member, North Carolina Bar Association; Chair, Minorities in the Profession Task Force; Member, North Carolina Association of Black Lawyers; Member of the North Carolina Association of Women Attorneys; assumed Commissionership July 1, 1991; current term ends June 30, 1999; Single.

C. BIOGRAPHICAL SKETCH OF EXECUTIVE DIRECTOR

Robert P. Gruber began his term as Executive Director on July 1, 1983. From February 1978 until this appointment he had served as General Counsel to the North Carolina Utilities Commission. From 1973 to 1978 he had been employed by the North Carolina Department of Justice where he had

served as a Special Deputy Attorney General in charge of the Utilities Section. Prior to this he had been in private law practice in Raleigh, North Carolina. He earned his law and undergraduate degrees from the University of North Carolina.

D. PUBLIC STAFF AND ORGANIZATION CHART

As of June 30, 1991, there were 77 funded positions, including the Executive Director, comprising the Public Staff of the North Carolina Utilities Commission.

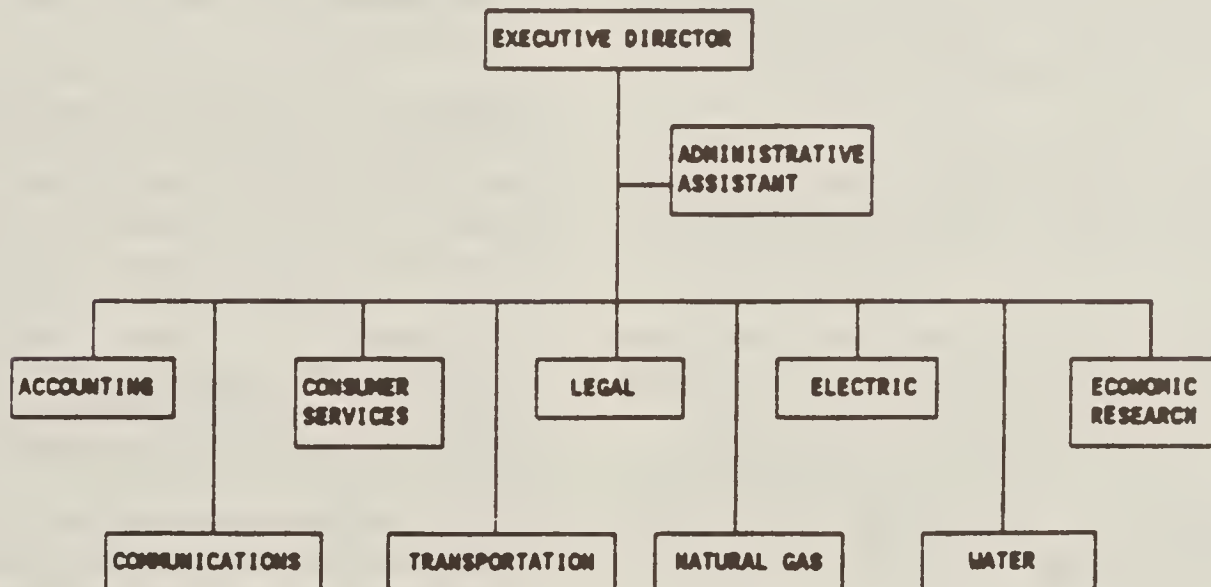
PUBLIC STAFF NORTH CAROLINA UTILITIES COMMISSION June 30, 1991

Executive Director
Robert P. Gruber

Administrative Assistant.	Margaret K. Kimsey
Accounting Division	William E. Carter
Communications Division	Gene A. Clemmons
Consumer Services Division.	J. Craig Stevens
Economic Research Division.	George T. Sessoms, Jr.
Electric Division	Dennis J. Nightingale
Gas Division.	Raymond J. Nery
Legal Division.	Antoinette R. Wike
Transportation Rates Division	James C. Turner
Water Division.	Andy Lee

FIGURE NO. 1-2

PUBLIC STAFF - ORGANIZATION CHART June 30, 1991



E. HISTORICAL SKETCH OF DEVELOPMENT

The present North Carolina Utilities Commission evolved from the Railroad Commission, which was created in 1891 by the General Assembly and was given authority to determine charges made for services rendered by railroads, steamboat, canal companies, and express and telegraph companies.

The major changes occurring in the North Carolina regulatory field since 1891 are in chronological order as follows:

1893--Telephone industry brought under regulation.

1897--Street railways brought under regulation.

1899--Railroad Commission abolished and the North Carolina Corporation Commission created. The North Carolina Corporation Commission was given general supervision of railroads, steamboat navigation and canal companies, express and telegraph and telephone companies, building and loan associations, banks, and sleeping car companies.

1900--The Corporation Commission's duties enlarged to encompass general supervision over tax listers and tax assessors.

1905--Supervision of building and loan association transferred to State Insurance Commissioner.

1913--Electric light, power, water, and gas companies, excluding municipally owned, came under regulation.

1925--Capital Issues Law administered by the Corporation Commission. Motor vehicle common carriers of persons and property over regular or specified routes brought under regulation.

1931--Transfer of banking department to the Commissioner of Banks.

1933--The Corporation Commissioner abolished. The Office of Utilities Commissioner created with two Associate Commissioners.

1937--Administration of Capital Issues Law transferred to Secretary of State.

1941--The North Carolina Utilities Commission established, consisting of three full-time members with six-year terms.

1949--Bus Act of 1925 replaced and jurisdiction over common and contract carriers of passengers, regular and irregular routes, expanded. Membership increased to five Commissioners and technical staff of engineers, accountants, and director of transportation added.

1963--The utility laws of North Carolina updated and rewritten.

1965--Electric Membership Corporation brought under limited jurisdiction of the Utilities Commission relating to assignment of service and promotional payments.

1967--The following amendments to the General Statutes 62 known as the Public Utilities Act are of significance to the public and the regulatory agency:

a. Initiation of Cooperative Agreement in the enforcement of interstate motor carriers safety regulations with the Interstate Commerce Commission. (G.S. 62-266)

b. Authorization for the Utilities Commission to collect same fees for registration of interstate authority and interstate vehicles as is charged intrastate carriers. (G.S. 62-300)

c. Authority to regulate the standards of safety for interstate natural gas pipelines passing through North Carolina. (G.S. 62-41 and G.S. 62-43)

d. Change in appeal procedure of Utility Cases; they now go to the Court of Appeals rather than the Superior Courts.

1969--The following amendments to the General Statutes 62 known as the Public Utilities Act are of significance to the public and the regulatory agency:

a. Register ICC Exemptions. Authorization for the Commission to require all interstate carriers to file copies of their respective interstate authority or register their exempt operation. The registration for the exempt carriers for the first time is the significant feature of this act. (G.S. 62-266)

b. Inspect Utility Affiliate Records. Authorization for the Commission to inspect the books and records of corporations affiliated with public utilities regulated by the Commission, including parent corporations and their affiliates. (G. S. 62-51)

c. Furnish False Information to the Utilities Commission; Failure to Furnish Information to the Commission. Action by legislature declaring it a misdemeanor for utilities under the jurisdiction of the Commission to furnish false information or for failure to furnish information on report forms furnished by the Commission. (G. S.62-326)

d. Radio Common Carriers. Commission authority extended to grant Certificates of Public Convenience and Necessity to radio common carriers in areas where the landline telephone company has heretofore protested certificates of radio common carriers.

1971--The following amendments to the General Statutes 62 known as the Public Utilities Act were approved by the General Assembly:

a. The Executive Organization Act of 1971 created the N. C. Department of Commerce, (143A-174). The North

Carolina Utilities Commission was transferred to the Department of Commerce. (G. S. 62-10)

b. Safety Standards for Interstate and Intrastate Natural Gas Pipelines. Authorization by the General Court of Justices of North Carolina to issue court orders, restraining orders, injunctions, and other processes of the court in actions by the Utilities Commission to enforce the provisions of gas pipeline safety, and authorizing the Commission to bring such action as may be necessary for compliance. (G.S. 62-50)

c. How Rates Fixed--Natural Gas Distribution Companies. Utilities Commission given permission to permit gas companies to increase their rates to customers to the extent that such increases are occasioned by increases in the wholesale rates paid by the utilities. This increase could be allowed without a general rate case hearing. (G. S. 62-133)

d. Change in Definition of "Public Utility." Prior to 1971, those persons or companies selling water to less than 25 residential customers were, by statute, exempt from Utilities regulation. 1971 legislation modified the definition of a public utility to include anyone furnishing water to 10 or more residential customers. (G.S. 62-3)

1973--The following amendment to the General Statutes 62 known as the Public Utilities Act, was approved by the General Assembly:

a. Change in Definition of "Public Utility." Town of Pineville, N.C., included insofar as town supplies telephone service to the public for compensation. This includes town limits as of May 8, 1973, and shall also include area proposed to be annexed, until January 1, 1975. Utilities Commission has no authority in respect to rates or charges for service until July 1, 1974. [G.S. 62-3 (23)(f)]

Related Statute--Electric Service in Urban Areas. Authority and Jurisdiction of Utilities Commission--G.S. 160A-334 rewritten as follows: If North Carolina Utilities Commission finds service being furnished to consumer by a secondary supplier to be inadequate or undependable, or that rates are unreasonably discriminatory, the Commission shall have the authority and jurisdiction after notice to each affected electrical supplier, and after hearing, if hearing is requested, to: Order a primary supplier that is subject to the jurisdiction of the Commission to furnish electric service to any consumer who desires service from the primary supplier at any premises served by a secondary supplier and to order such secondary supplier to cease and desist from furnishing electric service.

1974--The following selected Legislative Bills of significance to the operations of the utilities, the utilities' ratepayers, and the Commission itself were passed by the General Assembly in the 2nd Session (1974) of the 1973 Session and along with other utility bills not listed here are included in General Statutes 62 known as the Public Utilities Act:

a. How Rates Fixed--Small Water and Sewer Utilities. The Commission may now fix such rates on the ratio of the operating expenses to the operating revenues, such ratio to be determined by the Commission, unless the utility requests that such rates be fixed under G.S. 62-133 (b). Previously only motor carrier rates were determined in relation to an operating ratio. [G.S. 62-133.1 (a)]. A water or sewer utility may enter into uniform contracts with nonusers of its utility service within a specific subdivision or development for the payment by such nonusers to the utility of a fee or charge for placing or maintaining lines or other facilities or otherwise making and keeping such utility's service available to such nonusers which in effect is an availability charge.

[G.S. 62-133.1 (b)]

b. Future Test Period Authorized. Authority given to the Commission, at its discretion, to use a current as well as a past test period in establishing public utility rates. This change gave the Commission authority to use a 12-month future test period for setting rates which required the extensive use of estimated and forecasted operating data in addition to actual historical data. [G.S. 62-133 (c)] (The General Assembly, during the 1975 Session, amended G.S. 62-133 (c) by rewriting the second sentence of Subsection (c) and in effect restoring the test period used in general rate cases to 12 months historical operating expenses prior to the date the proposed rates are to become effective.)

c. Less Than the Full Commission May Hear Small Utility Rate Cases--In matters where total annual revenue increases requested are less than \$50,000,* even though all rates are affected, the Chairman of the Commission may refer the matter to a division of the Commission, to a Hearing Commissioner, or to a Hearing Examiner for hearing. Previously, the full Commission was required to hear all general rate cases. (G.S. 62-81) *Increased to \$100,000 by 1977 legislative amendment. Increased to \$300,000 by 1981 legislative amendment.

1975--Major legislation affecting the regulation of utilities:

a. Definition of the Term "Panel." Panel as used herein means three Commissioners, a division of the Utilities Commission authorized for the purpose of carrying out certain functions of the Commission. (G.S. 62-3)

b. Increase in the Number of Commissioners From Five (5) to Seven (7). All Commissioners henceforth are to be appointed by the Governor subject to confirmation by the General Assembly in joint session. (G.S. 62-10)

c. Initiation of Management Audits. Management Audits may be initiated by the Commission of any public utility company once every five years by a competent, qualified, and independent firm with the cost of such audits to be borne by the particular public utility subject to the audit.
[G.S. 62-37 (b)]

d. Procedure Before the Commission. The Commission shall sit in panels of three unless the Chairman, by Order, shall set the proceeding for hearing by the Full Commission. (G.S. 62-60.1)

e. Long-Range Forecast. The Commission is required to develop, publicize, and keep current an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina, including its estimates of the probable future growth of the use of electricity, the probable needed generating reserve, the extent, size, mix, and general location of generating plants, and arrangements for pooling power to the extent not regulated by the Federal Power Commission.
[G.S. 62-110.1 (c, d, e, f)]

f. Rate Changes Due Solely to Changes in Cost of Fuel. Effective on and after September 1, 1975, application by any public utility for permission and authority to increase its rates and charges based solely upon the increased cost of fuel used in generation or production of electric power must be suspended for a period not to exceed ninety (90) days. A hearing on the merits of the application must be held within thirty (30) days of the date of the filing with an Order responsive to the application being issued no later than ninety (90) days from the filing. A rate decrease due solely to a decrease in the cost of fuel, upon motion of the Commission or application of any person having an interest in said rate, shall be set for hearing. Any person directly interested in these proceedings shall have a full right of intervention. These types of proceedings shall not be

considered a general rate case. To implement this new legislative act, the Commission adopted a new Rule, R1-36, which prescribes the information and exhibits required to be filed with the application. [G.S. 62-134 (e) and (f)]

1977--Major legislation affecting the regulation of utilities:

a. Creation of the Office of Executive Director and Public Staff to Represent the Using and Consuming Public. The Commission personnel was divided into a Commission Staff and a Public Staff. The Office of Executive Director was established to direct the Public Staff. The Executive Director shall be appointed by the Governor subject to confirmation by the General Assembly in joint session. The term of the Executive Director shall be six years and the salary the same as that fixed for Commissioners. The Executive Director may be removed from office by the Governor in the event of his incapacity to serve, and the Executive Director may be removed from office by the Governor upon the affirmative recommendation of a majority of the Commission, concurred in by a majority of the Utility Review Committee of the General Assembly. The Public Staff shall not be subject to the supervision, direction, or control of the Commission, the Chairman, or members of the Commission. The Public Staff has the duty and responsibility to review, investigate, intervene, and make recommendations to the Commission relating to practically all matters affecting the using and consuming public and especially in the following areas: rates charged for service, level and quality of service rendered, issuance or cancellation of certificates for service and service areas, complaints of consumers, transfers, mergers or consolidation of utilities providing services to the public, contracts of public utilities with and between affiliates or subsidiaries, and the issuance of securities or other financial matters affecting the

utilities. The Public Staff has no duty, responsibility, or authority with respect to the enforcement of natural gas pipeline safety laws, rules or regulations, or to the laws, rules or regulations of common, contract, and exempt carriers relating to their equipment, the registration of their vehicles, insurance coverage, licensing or training of drivers, or the operation of motor vehicle equipment. [For complete detail of duties of Public Staff, see G.S. 62-15 (a) thru (i).]

b. Gifts to Member of Commission, Commission Employees, or Public Staff Unlawful--Utilities may not offer nor may any member of the Commission, Commission Staff, or Public Staff accept any gift of money, property, or anything of value from the utilities. One violating this rule is guilty of a misdemeanor and may be fined and subject to dismissal for cause. A member of the Commission, Commission Staff, or Public Staff may attend public breakfasts, lunches, dinners, or banquets sponsored by the regulated utilities. (G.S. 62-327)

c. Public Staff Provision Renewable After Four Years--Unless the General Assembly shall otherwise direct, effective August 31, 1981, the Office of Executive Director and the Public Staff of the Commission shall terminate and the positions assigned to the Public Staff shall be assigned to the Commission.

d. Lifeline Rate Study--Resolution No. 63 urging the Utilities Commission to investigate and study Lifeline Rates for consumers of electricity and natural gas was ratified by the General Assembly on June 14, 1977. Because of rapidly rising rates for electric and natural gas service and the great hardship the rates were causing many elderly and low income persons in the State, the Commission was urged to study and consider whether it is just and reasonable to establish a category of lifeline rates for essential levels of

use by residential customers to provide lighting, cooking, and refrigeration to their primary place of residency.

e. Use of Original Cost Plus Construction Work in Progress (CWIP) of Public Utilities Property for Ratemaking Purposes to be Effective with Respect to Rate Applications Filed on and After July 1, 1979. Effective with rate applications filed on and after July 1, 1979, the Commission must use as the rate base for fixing rates of electric, gas, telephone, and water and/or sewer utilities (unless the operating ratio is used for water and sewer companies) the reasonable original cost, less depreciation, plus the reasonable original cost of construction work in progress (CWIP) of the public utility's property. This method replaces the currently used Fair Value formula (which excludes the value of CWIP) in determining the rate base for the fixing of rates. In conjunction with the enactment of the above amendment to G.S. 62-133 entitled "How rates fixed" the General Assembly also amended G.S. 62-2 entitled "Declaration of Policy" by adding a new subsection (5) which reads as follows:

"(5) Require each public utility to discontinue capitalization of the composite carrying cost of capital funds used to finance construction (allowance for funds) on the construction work in progress included in its rate base upon the effective date of the first and each subsequent general rate order issued with respect to it after the effective date of this subsection; allowance for funds may be capitalized with respect to expenditures for construction work in progress not included in the utility's property upon which the rates were fixed. In determining net operating income for return, the Commission shall not include any capitalized allowance for funds used during construction work in progress included in the utility's rate base." (See Session Laws 1977, c691 ss. 2 & 3 for details of amendments to G.S. 62-133).

f. Constitutional Amendment (Article V) to Allow Municipalities to Issue Revenue Bonds to Finance the Cost of Electric Generation and Transmission Facilities. This related legislation authorizing municipalities owning or operating electric systems and joint agencies composed of such municipalities to jointly or severally own, operate, and maintain an electric system and to use revenue bonds to finance the cost thereof, subject to the approval of the electorate, directly affects the regulated electric companies of North Carolina. Duke Power Company has already agreed to sell a portion of its nuclear generating capacity to nineteen (19) North Carolina towns and cities which are members of the North Carolina Municipal Power Agency No. 1. (See Session Laws 1977, c 528, sections 1 thru 6 for details of Constitutional Amendment.)

g. Uniform and Joint Rates Among Carriers of the Same Class Authorized. Historically tariff bureaus have been formed by common carriers for the purpose of establishing and publishing joint rates, in order to achieve a stable rate structure. The enactment of Chapter 219 empowered the Commission to regulate and permit tariff bureaus to publish joint rates. G.S. 62-152.1 and Commission Rule R4-12 set forth the Commission's requirement of a rate bureau in order for it to publish joint rates with this Commission.

1979 & 1980--Major legislation affecting the regulation of utilities:

a. Office of Executive Director and the Public Staff Made Permanent on April 10, 1979. These positions otherwise would have been terminated on August 31, 1981. (Session Laws 1979, c 332, 3.1)

b. Gas Pipeline Safety Standards Authority Expanded. The Utilities Commission's authority is expanded over natural gas pipeline safety standards to cover public housing authorities and apartment complexes or mobile home parks

that distribute or submeter gas to their tenants. It also restates the Commission's existing authority over pipeline safety standards of interstate and intrastate gas utilities and pipeline carriers under franchise, as well as municipally owned distributors, without apparently changing the substance of this authority. (Session Laws 1979, c 269, G.S. 62-50)

c. Ex-parte Communications. The Act was amended which forbids any nonwritten communication by a public utility or public staff member to a Commission member or hearing examiner relating to the level of rates to be charged to deleting the words "with regard to matters affecting the rates charged or proposed to be charged" and inserting in lieu thereof the words "regarding the level of rates specifically proposed to be charged." Article IV, G.S. 62-70 (g) (Session Laws 1979, c 332, S.2.)

d. Encouragement of Cogeneration of Electricity. Cogeneration of electricity was encouraged by exempting from regulation persons who are constructing or operating an electric generating unit primarily for their own use and not for the primary purpose of producing electricity, heat, or steam for sale to or for the public for compensation. However, such persons must report to the Utilities Commission the proposed construction of such a facility before construction begins. [G.S. 62-110.1 (g)]

e. Power Sales by Small Power Producers. In the event that a small power producer and an electric utility are unable to mutually agree to a contract price for the electricity purchased by the electric utility, the Commission shall require the utility to purchase the power, under rates and terms established under G.S. 62-156. (See Session Laws 1979, 2nd Session, 1980, c 1219, S.2.)

f. Security Provisions Relating to Access to Nuclear Power Facilities and/or Control Over Nuclear Material.

The Chief Personnel Officer or his designee of any public utility franchised to do business in North Carolina shall be permitted to obtain from the State Bureau of Investigation a confidential copy of criminal history record information for screening an applicant for employment or an employee of a utility or utility contractor where the employment or job to be performed falls within a class or category of positions certified by the North Carolina Utilities Commission as permitting or requiring access to nuclear power facilities or access to or control over nuclear material. (G.S. 62-333) (See Session Laws 1979, c 796.)

g. Motor Carriers Providing "Charter Party" Services for Senior Citizens Exempt From Regulation. Motor passenger carriers engaged in "Charter Party" service for senior citizens 60 years or older are exempt from Commission regulation except for subsections (f) and (g) of Article 12 G.S. 62-260. These sections deal with security, safety, and registration regulations of motor passenger carriers and their vehicles. [G.S. 62-260 (a) (18)] (See Session Laws 1979, c 204.)

1981--Major legislation affecting the regulation of utilities:

a. Rate-Setting Hearings Nonmandatory When There is No Significant Public Protest and All Parties Are in Agreement. When there is no significant public protest received within 30 days of the publication of notice of a proposed rate change for a water or sewer utility, the Commission may decide the proceeding based on the record without a trial or hearing, provided said utility and all other parties of record have waived their right to any such hearing. [G.S. 62-81 (f) (HB 530)]

b. Commission Authorized to Decide the Level of Interest to Add to Customer Refunds. The Commission under the amended law can decide the level of interest rates public utilities must pay

on refunds of monies to its customers which were advanced by or overcollected from its customers. Under the amended law the rate cannot exceed ten percent (10%) per annum, previously the rate was six percent (6%) per annum. [G.S. 62-130 (e) and G.S. 62-135 (c) (HB 531)]

c. The Utility Company Shall be the Source of Funds for the Public Staff to Employ Outside Assistance in Commission Proceedings. The Executive Director of the Public Staff is authorized to employ, subject to the approval of the State Budget Officer, expert witnesses and such other professional expertise as deemed necessary to assist the Public Staff in its participation in Commission proceedings, and the compensation and expenses therefor shall be paid by the utility or utilities participating in said proceedings. Before this enactment, the funds for this type service came from the regular appropriated Public Staff budget or from the State Contingency and Emergency Fund. [G.S. 15 (h) (HB 529)]

d. Employment of Temporary Court Reporters With Costs to be Borne by Individual Utility or Utilities. The Commission is authorized to contract with or employ on a temporary basis, when deemed necessary by the Chairman of the Commission, court reporters, in addition to those employed on a full-time basis by the Commission for the purpose of recording and transcribing testimony given at hearings before the Commission involving any Class A and B utility. The costs for these court reporters are to be charged directly to the involved utility or utilities. [G.S. 62-7 (d) (SB 639)]

1982--Major legislation affecting the regulation of utilities (1982-Short Session)

a. Changes in Method and Times Per Year the Fuel Clause Adjustment May be Considered and the Treatment of Construction Work in Progress (CWIP) for

Ratemaking Purposes. Chapter 62 of the General Statutes is amended by adding a new section, G.S. 62-133.2 (HB 1594). This new section provides that the Commission shall conduct only one hearing for each electric utility within 12 months of the last general rate case for the purpose of determining whether an increment or decrement rider is required to reflect actual changes in the cost of fuel and the fuel cost component of purchased power over or under base rates established in the last proceeding general rate case. The amended law also provides that the Commission shall allow only that portion, if any, of a requested fuel adjustment that is based on adjusted and reasonable fuel expenses prudently incurred under efficient management and economic operations. Before enactment of this amendment, there were fuel cost adjustment proceedings three times a year; and the Commission had been barred by court decisions from reducing fuel charges because of inefficient management of poor plant performance. The old fuel adjustment procedure in G. S. 62-134 (e) is repealed.

CWIP changes for ratemaking purposes were implemented by the legislature by changing words in the second sentence of G.S. 62-13 (b) (1) from "shall be included" to "may be included, to the extent the Commission considers such inclusion in the public interest and necessary to the financial stability of the utility in question." Prior to this change (since July 1, 1979) in the wording of G.S. 62-133 (b) (1), the Commission had been required to include in the rate base for ratemaking purposes the reasonable original cost of CWIP which had the effect of allowing the utilities to recover through rates the costs of obtaining money to build new facilities. The new law gives the Commission discretionary authority on whether to include CWIP costs in rates. The new law was effective June 17, 1982, the date of ratification.

1983--Major legislation affecting the regulation of utilities:

a. Amendment to Appeal Procedures. Chapter 526, House Bill 493 is an act to implement the constitutional amendment regarding appeal of Utility Commission Orders. G.S. 7A-29 is amended to show appeals in a general rate case from decisions of the Utilities Commission now go directly to the Supreme Court. In the past, according to G.S. 7A-29, the appeal shall lie to the Court of Appeals.

Chapter 572, House Bill 513 is an act to clarify the filing of a notice of appeal in all appeals taken from decisions of the Utilities Commission. G.S. 62-90 (a) is rewritten to include that any party to a proceeding before the Commission may appeal any final decision of the Commission within 30 days, if they file with the Commission a notice of appeal and set forth the grounds which they believe to be unjust or unreasonable. All other parties may give notice of cross appeal, if they explain the grounds which they believe to be unjust or unreasonable, within 20 days after the first notice of appeal.

b. Compensation for Outside Counsel for Certain Natural Gas Litigation: Chapter 761, Senate Bill 23, Section 132 authorized that compensation for outside legal fees in excess of twenty-five thousand dollars (\$25,000) per year incurred by the North Carolina Utilities Commission on behalf of the using and consuming public in conjunction with natural gas litigation brought before federal courts and agencies shall be paid from refunds received from the Transcontinental Gas Pipeline Company rather than from the Contingency and Emergency Fund, provided that the agreement must be approved by the State Budget Office.

c. Transfer of Motor Carrier Safety Regulation to DMV. Section 137. The safety regulation of all motor carrier transportation services is transferred

from the Utilities Commission, Department of Commerce, to the Division of Motor Vehicles, Department of Transportation. This transfer shall be a "type I transfer" as identified in G.S. 143A-6. The regulation of rates and market entry for motor carrier transportation services shall remain vested in the Utilities Commission. The agencies of State government affected by this transfer shall report to the 1984 Session of the General Assembly regarding any changes in the General Statutes required by this transfer.

1984--Major legislation affecting the regulation of utilities:

a. Utility Federal Tax Refund. Chapter 1097, House Bill 1513, is an act to change the state tax structure for commodities and services provided by certain utilities. This act will enable individuals to deduct the taxes on these commodities and services from their Federal income. This does not change rates, it simply converts approximately one-half the franchise tax to a sales tax that can be deducted from an individual's Federal income tax liability as an itemized deduction. It is the policy of this State that as many State taxes as possible be structured so that they are deductible for Federal income tax purposes under the Internal Revenue Code. This bill was ratified July 6, 1984, and was made effective on January 1, 1985.

b. Powers and Duties of the Utilities Commission in the Telecommunications Industry Broadened. Chapter 1043, House Bill 1365, is an act that broadened the authority of the North Carolina Utilities Commission to allow competitive offerings of long-distance services by public utilities defined in G.S. 62-3 (23)(a)(6) and certified in accordance with the provision of G.S. 62-110. This additional authority was granted "because of technological changes in the equipment and facilities now available and needed to provide telephone and telecommunications service, changes in

regulatory policies by the federal government, and changes resulting from the court-ordered divestiture of the American Telephone and Telegraph Co., competitive offerings of certain types of telephone and telecommunications services may be in the public interest." G.S. 62-110 as amended by this act authorized the Commission to issue certificates to provide competitive long-distance telecommunication services; however, the Commission shall consider the impact on the local exchange customers and only permit such additional service if the Commission finds that it will not jeopardize reasonable affordable local exchange service. This bill was ratified and became effective on June 29, 1984.

1985--Major legislation affecting the regulation of utilities:

a. Bus Regulatory Reform Act of 1985. Chapter 676, House Bill 977, is an act to reform the laws regulating common carriers of passengers by motor vehicle. The General Assembly finds and declares that a safe, competitive, and fuel efficient passenger bus industry contributes to a strong economy and is vital to the transportation needs of the elderly, handicapped, and poor; Congress has already enacted the Bus Regulatory Reform Act of 1982, which reduces unnecessary and burdensome government regulation of motor carriers of passengers, and now this State will amend and modify its laws regulating motor carriers of passengers, to make them more compatible with the provisions of the Bus Regulatory Reform Act of 1982 and consistent with the public needs of the citizens of this State. Every bus company shall provide safe and adequate service, and unless the Commission orders otherwise, no bus company shall make any changes in its rates, fares, or charges, which have been established under this Chapter, except after 30 days' notice to the Commission. This bill was ratified and became effective July 10, 1985.

b. Clarify the Definition of Preference or Advantage in Utilities Regulation and Provide a Corporate Income Tax Credit. Chapter 695, House Bill 1010, is an act to clarify the definition of preference or advantage in utilities regulation and to provide a corporate income tax credit. This bill states that it shall not be considered an unreasonable preference or advantage for the Utilities Commission to order a reduction in local telephone rates for low-income residential consumers meeting a means test established by the Commission in order to match any reduction in the interstate subscriber line charge authorized by the Federal Communications Commission. Also this bill allows a corporation that provides telephone service to low-income residential customers at reduced rates, in accordance with an order of this Commission, a credit against the tax imposed by this Division. This credit is allowed only for a reduction in local telephone service rates and fees.

c. Permit telephone service of coin, coinless, or key-operated pay telephones by entities other than the certificated telephone companies. Chapter 680, House Bill 1209, is an act to allow the provision of telephone service by entities other than the certificated telephone companies. The North Carolina Utilities Commission will issue a special certificate to persons who offer coin, coinless, or key-operated pay telephone service to the public. The certificated local exchange telephone company in the area of the new pay telephone service will be the only provider of the access line from the pay instrument to the network, and the rates approved by the Commission for this access line shall be fully compensatory. This bill was ratified and made effective July 10, 1985.

1986--Major legislation affecting the regulation of utilities:

a. Utilities Commission/State Reimbursement. Chapter 1014, House Bill

2055, Section 233, G.S. 62-48 (b) authorizes the Utilities Commission to establish procedures whereby the State may be reimbursed from past and future refunds received by the North Carolina natural gas distribution companies for travel expenses incurred by staff members of the Commission and Public Staff who are designated to provide assistance to the Commission's private legal counsel in natural gas matters before federal courts and agencies. This bill was ratified on July 15, 1986, and made effective July 1, 1986. House Bill 2055, in effect, rewrites and broadens the source of funding for compensation for outside counsel as originally enacted in 1983 under Chapter 761, Senate Bill 23, Section 132. The Bill is briefly described in Section E. "Historical Sketch of Development", 1983 Major legislation affecting the regulation of utilities, part (b).

1987--Major legislation affecting the regulation of utilities:

a. Permit the Provisions of Shared Use and Resale of Telephone Service. Chapter 445, Senate Bill 822 authorizes the Commission, consistent with the public interest, to adopt procedures for the purpose of allowing shared use and/or resale of any telephone service provided to persons who occupy the same contiguous premises. The Commission shall determine the extent to which such services shall be regulated and shall regulate the terms, conditions, and rates charged for such services and the terms and conditions for interconnection to the local exchange network. The local service rates approved by the Commission for local exchange lines or trunks being shared or resold shall be fully compensatory and on a measured usage basis where facilities are available or on a message rate basis otherwise. Section 2 of this law rewrote G.S. 62-3(23)(g) to read as follows: "The term 'public utility' shall not include a hotel or motel, time share, or condominium complex operated primarily to serve transient occupants,

which imposes charges to occupants for local, long-distance, or wide area telecommunication services when such calls are completed through the use of facilities provided by a public utility, and provides further that the local services received are rated in accordance with the provisions of G.S. 62-110(d) and the applicable charges for telephone calls are prominently displayed in each area where occupant rooms are located." This bill was ratified and made effective June 22, 1987.

b. Provide Adjustments to Cost in Electric Utility Ratemaking and to Study the Question of Continuing the Authority for True-ups. Chapter 677, Senate Bill 524 provides that in annual fuel charge adjustment proceedings for electric utilities, the Commission shall incorporate a "true-up" of reasonable fuel expenses prudently incurred during the test period in fixing an increment or decrement rider. The burden of proof as to the correctness and reasonableness of the charge and as to whether the fuel charges were reasonably and prudently incurred shall be on the utility. The Commission shall adopt a rule that establishes prudent standards and procedures with which to appropriately measure management efficiency in minimizing fuel costs. The Joint Legislative Utility Review Committee shall study the fuel charge adjustment statute (G.S. 62-133.2) and shall report its findings and recommendations to the General Assembly prior to the convening of the 1989 session. G.S. 62-133.2 is repealed in its entirety effective July 1, 1989. The legislation was ratified and made effective July 24, 1987.

c. Require Implementation of Least Cost Planning Initiatives by Utilities: Chapter 354, Senate Bill 813 amends G.S. 62-2 by adding a new subsection 3a. This act states that in order to provide adequate, reliable utility service to meet future growth, the entire spectrum of demand-side options should be used,

including conservation, load management, and efficiency programs as additional sources of energy supply and/or energy demand reductions. This act requires energy planning and fixing of rates in a manner to result in the least cost mix of generation and demand reduction measures which is achievable, including consideration of appropriate rewards to utilities for efficiency and conservation which decrease utility bills. This bill was ratified and made effective June 12, 1987.

d. Request a Water or Sewer Utility Company to Post a Bond. Chapter 490, House Bill 747. This bill states that no franchise may be granted to any water or sewer utility company until the applicant furnishes a bond secured with sufficient surety as approved by the Commission in an amount not less than ten thousand dollars and not more than two hundred thousand dollars. The bond shall be conditioned upon providing adequate and sufficient service within all the applicant's service areas. Cash and Certificates of Deposits (CD's), are offered with the purchase of these bonds with United Carolina Bank. The depositor draws interest, while the Commission holds control of the money. The purpose of these bonds are for use in case of the abandonment or upgrading of systems regulated by the Commission. This bill was ratified and made effective June 26, 1987.

1988--Major legislation affecting the regulation of utilities:

There was no major legislation in 1988.

1989--Major legislation affecting the regulation of utilities:

a. An Act to Establish Statewide 911 Service. Chapter 587, Senate Bill 509, G.S. 62A, is a new section entitled Public Safety Telephone Act. This bill is an Act to establish the Statewide use of 911 service. The General Assembly declares it to be in the public interest to provide a toll free number through

which an individual can gain rapid, direct access to public safety aid. "911 Service" is an emergency telephone system that provides the user of the public telephone system the ability to reach a public safety answering point by dialing 911. This bill was ratified on July 6, 1989.

b. Extended Expiration Date of Fuel Charge Adjustment. Chapter 15, House Bill 126, G.S. 62-133.2, is an act to implement the recommendation of the Joint Legislative Utility Review Committee to extend the expiration date of the fuel charge adjustment provision of the General Statutes from July 1, 1989 to July 1, 1991. This bill was ratified on March 15, 1989.

c. Public Utilities Regulatory Fee. Chapter 787, Senate Bill 1320, authorizes the Commission to charge a quarterly regulatory fee, in addition to other fees and taxes. The purpose of this fee is to defray the cost of regulating the public utilities. Every public utility subject to the jurisdiction of the Commission shall pay this fee on a quarterly basis, based on their jurisdictional revenues. This fee was initially set at .12% of their revenues or \$6.25 each quarter for those utilities with annual revenues less than \$20,837. This act became effective July 1, 1989 and applies to public utility North Carolina jurisdictional revenues earned on or after that date, and shall expire June 30, 1991, unless extended by the Legislature, with the proceeds and interest remaining in the fund created by this act upon expiration reverting to the General Fund. This bill was ratified on August 12, 1989 and made effective July 1, 1989.

1990--Major legislation affecting the regulation of utilities:

a. Regulation of Natural Gas Service Agreements. Chapter 962, House Bill 2227, G. S. 62-36(b), allows the Commission to direct the franchised natural gas local distribution companies

to negotiate in good faith to enter into lower cost service agreements with their customers, when it finds that additional natural gas service agreements with interstate or intrastate pipelines will provide increased competition in North Carolina's natural gas industry and will likely result in lower costs to consumers along with the reduction in risk of service interruptions. This bill was ratified and made active on July 18, 1990.

1991--Major legislation affecting the regulation of utilities:

a. Extended Expiration Date of Utility Fuel Charge Adjustment. Chapter 129, House Bill 407, G.S. 62-133.2 is repealed effective July 1, 1997. On July 1, 1983 and every two years thereafter, the Utilities Commission shall provide a report to the Joint Legislative Utility Review Committee summarizing the procedures conducted pursuant to G.S. 62-133.2 during the preceding two years and recommending whether this section should be continued, repealed or amended. This act was ratified on May 27, 1991.

b. An Act to Repeal the Sunset Provision for the Utility Regulatory Fee Statute. Section 5, Chapter 787 of the 1989 Session Laws reads as rewritten: "This act shall become effective July 1, 1989 and shall apply to public utility North Carolina jurisdictional revenues earned on or after that date." This act was ratified and made effective on June 28, 1991.

c. Exemption of cellular telephone service. Chapter 82, Senate Bill 551, is an act to permit the Utilities Commission to exempt cellular telephone service from regulation under Chapter 62. Nothing in this section shall be construed to diminish any other authority granted the Commission in this Chapter. This act was ratified on May 13, 1991.

FIGURE NO. 1-3
NORTH CAROLINA UTILITIES COMMISSION
Receipts and Expenditures
Fiscal Year Ended June 30, 1990

<u>Source of Funds</u>	<u>Commission Staff</u>	<u>Public Staff</u>	<u>Total N. C. Utilities</u>
General Fund Appropriation	\$1,076,095	\$1,707,672	\$2,783,767
<u>Other Receipts</u>			
Alternative Energy Corporation	46,192		46,192
Miscellaneous Revenues	1,411		1,411
Fees Collected by Commission:			
Regulatory Fee	1,290,972	1,836,701	3,127,673
Office of Chief Clerk:			
Duplicating Services	16,864	2,971	19,835
Filing Fees	49,920		49,920
Publication Sales	1,195		1,195
Court Reporter Fees	33,207		33,207
Legal Fees-Gas Companies	56,770		56,770
Transfer - Prior Fiscal Year	7,639		7,639
<u>Federal Funds</u>			
U. S. Gas Safety Program	88,899		88,899
Total Receipts	\$2,669,164	\$3,547,344	\$6,216,508
<u>Expenditures</u>			
Salaries and Wages	\$1,895,609	\$2,749,645	\$4,645,254
Fringe Benefits	414,556	604,457	1,019,013
Depart. Administration Services	14,000	19,000	33,000
Legal and Consulting Fees	57,308	1,817	59,125
Materials and Supplies	11,291	8,842	20,133
Travel	128,643	54,530	183,173
Seminars & Workshops	6,926	1,970	8,896
Postage, Telephone, Printing	66,103	40,459	106,562
Photocopying	28,648	21,393	50,041
Repairs of Building and Equipment	1,431	1,874	3,305
Data Processing Service	765	3,854	4,619
Employee Educational Expenses	598	942	1,540
Other Services and Expenses	808	54	862
Rent - Building and Offices	720	120	840
Insurance and Bonding	220	315	535
Service and Maintenance Contracts	14,892	1,693	16,585
Dues and Subscriptions	12,800	10,936	23,736
Office Furniture, Equipment, Books	12,916	6,832	19,748
Data Processing Equipment	365	18,409	18,774
Other Expenses	565	202	767
Total Expenditures	\$2,669,164	\$3,547,344	\$6,216,508
Funded Positions	57	77	134

II. Selected Commission Activities April 1990 through March 1991

A. GENERAL

1. Public Involvement

The Commission has continued improving its public image by making all activities open for participation by the public and other interested parties. The table below shows the number of formal hearings held in Raleigh and in the service areas of the utilities involved; many of these hearings were held at night.

	Year Ended December 31			
	1987	1988	1989	1990
Total Formal Hearings Held	213	246	288	279
Number of Hearings Held Away From Raleigh, in Utility Service Areas	46	49	38	57
Percent of Total Hearings Held Away From Raleigh	22%	20%	14%	20%

The primary reason for holding hearings in the service areas of the utilities involved in the hearings is to make it easier for the local consumers and general public to attend and to offer testimony if they so choose. Attendance at such hearings provides a broader knowledge of the scope and complexities of issues which the Commission, the Public Staff, and all other participants must deal with.

Advance public notice is given for all hearings of general interest and especially rate case hearings. News releases are made of important Commission decisions and activities. All Commission weekly conferences (Monday mornings generally) are open to the public as a spectator or participant.

For a summary of Commission proceedings docketed and heard in 1990 see Figure No. 2-1.

B. ELECTRIC

1. Load Forecast--N.C. Electricity Needs (1990-2003)

The General Statutes of North Carolina require that the Commission develop an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina (G.S. 62-110.1). On August 18, 1986, the Commission issued its Order Adopting Updated Forecast and Plan for Meeting Long-Range Needs for Electric Generating Facilities in North Carolina, 1985-86 in Docket No. E-100, Sub 50. The Order contained the findings and conclusions of the Commission regarding generating capacity expansion by electric utilities serving North Carolina. In June 1988 and again in November 1989 the Commission issued reports updating its August 18, 1986, Order pursuant to G.S. 62-110-1.

The rates of growth in kW peak demand for CP&L, Duke Power, and Vepco for the period 1990-2003, taking into account conservation, load management, and emerging alternative energy resources which appear most likely at this time, should fall in the following ranges:

Company	% Annual Growth Rates in Peak Demand During (1990-2003)	
CP&L	2.0% - 2.0%	
Duke	2.3% - 2.6%	
Vepco	2.4% - 2.7%	

Forecasting electric load growth for many years into the future is an imprecise art at best. Virtually all of the forecasting tools in common use today assume that certain historical trends or relationships will continue into the future, and that historical correlations give meaningful clues to future behavioral patterns. As a result, any shift in such correlations or relationships can introduce significant errors into the forecast. A prime example of such a shift in

historical relationships was the shift in energy usage patterns following the dramatic increase in fuel oil prices during the mid 1970's, an event which rendered virtually all prior forecasts invalid.

The current load forecasts adopted by the Commission are based in a large part on the premise that conservation, load management, and emerging alternative resources represent permanent changes in the approach of society toward the use of energy. However, uncertainties concerning when the various known energy alternatives will become available in sufficient quantity to be a significant impact during the current planning horizon places the Commission in the position of having to evaluate forecasts, while at the same time working to encourage energy alternatives which could change those "most likely" forecasts. Thus, the Commission finds it necessary to allow for a great deal of flexibility in the planning for generation capacity expansion to match the forecasts. By order issued March 25, 1987, the Commission instituted a general investigation and rulemaking proceeding to consider the adoption of a new approach to electric utility planning which is intended to identify those electric resource options which can be obtained for the total least cost of the ratepayers consistent with adequate, reliable service. By order issued December 8, 1988, the Commission adopted rules for Least Cost Integrated Resource Planning which defines an overall framework within which the planning process will take place. Integrated resource planning is a strategy which considers conservation, load management, and other demand-side programs along with new generating plants, cogeneration, and other supply-side options in providing cost effective, high quality electric service.

The Commission held public hearings in October 1989 and again in January 1990 to consider the least cost integrated resource plans which are

required to be filed by the electric utilities pursuant to the General Statutes and the Commission Rules. The plans filed with the utilities will consist of three components: a 15-year load forecast; an integrated resource plan; and a short-term action plan. The final order was issued May 17, 1990, adopting the least cost integrated resource plans.

The Commission's final order also adopted certain stipulations entered into between the Public Staff and the utilities regarding particular areas of the utilities' planning processes found to be deficient. The utilities are required to submit six-months progress reports detailing their efforts to meet the stipulations. Also, the utilities are required to file annual short-term action plans.

2. The Alternative Energy Corporation

Creation and Structure

The North Carolina Alternative Energy Corporation (AEC) was established by the North Carolina Utilities Commission in 1980 to identify, adapt, and promote alternative energy technologies and systems suited to North Carolina requirements. The AEC is a quasi-public, non profit, private corporation that secures financial support from both the regulated and nonregulated electric suppliers in North Carolina. The AEC is the nation's only cooperative joint venture in energy between government and public and private power organizations. In early 1985, the original five-year lifetime for the corporation was extended to December 31, 1990, by action of the Utilities Commission following a full public hearing. In the fall of 1990, the Commission further affirmed the importance of the AEC's work by renewing the corporation charter permanently.

The AEC's projects are organized into five program areas that parallel energy use -- agriculture, community, industry, residential/commercial, and utility. Specifically, the AEC has been

mandated to educate consumers about energy, provide alternatives to current electric generation technologies, develop more economical sources of electric power, improve system efficiency and load factors, and help to moderate the future cost of electric service.

The AEC's most effective role is to find, field test, and promote the use of the best techniques and technologies available so that: North Carolina residents can have reliable and affordable energy for their homes and communities; industries and businesses can use the minimum necessary energy to increase their productivity and competitiveness; and utilities can provide their customers with high quality energy services at the lowest possible cost.

In an overall sense, benefits from AEC activities range from individuals having more control over the energy they use and pay for, to utilities needing to build fewer expensive central power plants. Both results are key to maintaining and improving our continued economic stability.

Utilities in the next few years will be required to meet increasing demands during peak periods either by reducing use of electricity at those times or by building new generating capacity. They are already working to increase the use of off-peak power capacity. To address these needs, the AEC Utility Program works with utilities to test new technologies and to investigate unconventional opportunities such as storing energy in large batteries, using off-peak energy to charge electric vans, and generating energy from ocean waves. The AEC also helps utilities by collecting data about their control of residential hot water heaters and air conditioners to reduce peak demand. By better understanding how their load control strategies are affected by weather, season, and time of day, they will be better able to get the peak reductions they need at minimum inconvenience to their customers.

C. Railroad Station Closings and Changes in Facilities

There were 106 railroad station closings and changes in facilities including station closings, railroad relocations, abandonments of tracks, retirements, and removals during the period January through December 1990. See Figure No. 11-3 in the Railroad section for more detailed information and listings.

D. Consumer Pocketbook Issues

1. General Rate Case Decisions 1971-1990

A summary of the Commission decisions in general rate cases for the 20-year period from 1971 through December 31, 1990, for the electric, gas, and telephone groups show that 59.1% of the amount requested has been granted. There were requests heard in 1990 for increases, however, they had not been granted at the end of 1990. Broken down by groups the amounts granted were electric--60.3%; gas--65.6%; and telephone--53.3%. See Figure No. 2-2 for yearly totals.

During the most current 10-year period of 1981 through December 1990, of the amount requested, the percentage granted for each group was less than for the previous 10 years. However, the amount granted during the most current 10 years was about 78% more than was granted during the previous 10-year period. The following table shows the progression of amounts requested and granted during the last ten years compared to the amounts requested and granted during the period from 1971 through 1980.

Period/Group	Requested (000's)	Granted (000's)	% Granted
1971- Elec.	\$1,003,063	\$ 731,261	72.9
1980 Gas	54,512	36,633	67.2
Phone	323,291	172,707	53.4
Total	\$1,380,866	\$ 940,601	68.1
1981- Elec.	\$2,330,137	\$1,279,941	54.9
1990 Gas	104,536	67,628	64.7
Phone	603,293	321,536	53.3
Total	\$3,037,966	\$1,669,105	54.9
1971- Elec.	\$3,333,200	\$2,011,202	60.3
1990 Gas	159,048	104,261	65.6
Phone	926,584	494,243	53.3
Total	\$4,418,832	\$2,609,706	59.1

Note: There were rate increases requested but not decided on in 1990 for the above utilities.

Many factors such as interest rates, quality of service, cost of fuel, availability of gas supplies, future demands for utility service and utility managerial efficiency contribute to the final decisions reached by Commissioners in general rate case decisions. All of these factors are thoroughly investigated and evaluated by the Public Staff of the Commission for each rate case and then presented to the Commission for consideration as to treatment in the case. Additionally, the Company and intervenors representing various groups and viewpoints offer expert testimony and their counsel engages in extensive cross examination of all pertinent testimony presented during the hearings. Some facts, however, lie beyond the control of the Commission and can account for even larger increases than the rate cases themselves. Cost of gas to the gas company from the State's only supplier, Transcontinental Gas Pipeline Corporation (TRANSCO) requires an adjustment to consumers' gas rates, but this type of adjustment is made through a staff conference rather than through a general rate case. Fuel consumed for the generation of electricity was adjusted at intervals through regular open conference and modified several

times over the years until the current procedure of annual filings for rate adjustments for fuel cost was adopted on May 1, 1984. For both gas companies and electric companies, the price, or cost adjustment to the ultimate consumer is not necessarily the result of just general rate cases. In fact, these cost adjustments can have as much or an even greater effect on the cost of services to the ultimate consumer than any other aspect of the industry.

2. N. C. Utility Rates vs. Consumer Price Index (CPI)

The Consumer Price Index for All Urban Consumers (CPI-U) reflects the average change in the retail prices of a fairly broad but select "market basket" of consumer goods and services. It has been the most popular index because it is reported monthly as opposed to the quarterly publication of the Gross National Product Deflator, and it is not revised after its initial publication. For the year 1990, residential electric rates of North Carolina regulated utilities increased over the 1989 rates from an average of 7.41 cents per kWh to 7.53 or 1.6%. For this same period, the CPI-U increased from 371.3 to 386.1 or 3.83%.

North Carolina residential customer usage of kWhs of electricity decreased in 1989 over 1988 by 1.0% whereas the U.S. average increased by approximately 1.6%. North Carolina usage has consistently exceeded the national average. This is partially due to the North Carolina rates per kWh being lower than the national average. The average North Carolina cost for each residential kWh in 1989 was 7.41 cents vs. the national average of 7.64 cents or .3% lower.

The cost for a dekatherm of natural gas decreased 6.83% in 1990 over 1989 vs. the 3.83% increase in the CPI-U. The following table shows the electric, gas, and telephone utility costs compared to the CPI-U for the years of 1975 through 1988 and 1989 to 1990.

E. Regulatory Fees

On August 12, 1989, the General Assembly ratified Senate Bill 1320 entitled "An Act to Establish Regulatory Fees for Public Utilities to Defray the Cost to the Utilities Commission and the Public Staff of Regulating Public Utilities in the Interest of the Public." Senate Bill 1320 amended Article 14 of Chapter 62 of the General Statutes by adding a new section, G.S. 62-302, entitled "Regulatory Fee." This act became effective on July 1, 1989, and applies to North Carolina jurisdictional revenues earned by public utilities on and after that date. For the 1989-90 fiscal year, the fee was set at 0.12% of each public utility's North Carolina jurisdictional revenues for each calendar quarter or \$6.25 per quarter, whichever is greater. For the 1990-91 fiscal year, the General Assembly has set the percentage rate at .09%. The percentage rate may not exceed the amount necessary to generate funds sufficient to defray the estimated cost of the operations of the Commission and the Public Staff for a period of one fiscal year. The total fee imposed on the public utilities may not exceed 0.25%. The fee is imposed on a quarterly basis and is due approximately 45 days after the end of each calendar quarter. As of December 31, 1990, an accumulative total of \$11,108,744 in fees had been collected.

N. C. Utility Rates vs. Consumer Price Index (CPI)

Year Ended December 31	Average Residential Electric Rates Per kWh (Cents)	Average Residential Gas Rates Per Dekatherm (\$)	Average Monthly Telephone Bill For Local Service (All Customers) (\$)	Consumer Price Index All Urban Consumers
1975	3.09	\$2.05	\$14.88	161.2
1980	4.29	\$4.08	\$19.78	246.8
1984	6.64	\$6.52	\$22.37	311.1
1985	6.86	\$6.46	\$22.64	322.2
1986	7.15(a)	\$6.50(b)	\$22.30(c)	328.4
1987	7.31(a)	\$6.54(b)	\$21.94(c)	340.4
1988	7.30(a)	\$6.14(b)	\$21.06(c)	354.3
1975-1988 % Change	136.2%	199.51%	41.53%	119.79%
1989	7.41(a)	\$6.41(b)	\$21.61(c)	371.3
1990	7.53(a)	\$6.00(b)	\$27.56(c)	386.1
1989-1990 % Change	1.59%	(6.83)%	2.16%	3.83%

(a) This figure is a composite of the four major Electric companies in operation in North Carolina.

(b) This figure is a composite of the four Class A North Carolina Gas Companies.

(c) This figure is the local service revenues divided by the total yearly average number of business and residential access lines on a monthly basis for the twelve largest North Carolina telephone companies.

FIGURE NO. 2-1

TOTAL VOLUME OF PROCEEDINGS BROUGHT BEFORE THE COMMISSION
DURING THE CALENDAR YEAR ENDED DECEMBER 31, 1990

DESCRIPTION	YEAR	BUSES	ELECTRIC	GAS	RAILROADS	TELEPHONE	TRUCKS	WATER & SEWER	GEN. & MISCELL.	GRAND TOTALS
Total Proceedings Before Commission	1990	8	51	57	8	478	1,293	223	39	2,157
Disposition of Proceedings										
1. Formal hearing held with orders to follow:	1990	7	25	9	8	14	136	74	6	279
2. Conferences with informal hearings held with the following type of decisions resulting:										
a. Regular and Letter Type	1990	1	26	48	0	464 *	34	149	33	755
b. Short form orders issued	1990	0	0	0	0	0	1,123	0	0	1,123
Total Proceedings Accounted For	1990	8	51	57	8	478	1,293	223	39	2,157
Percent of Grand Total	1990	0.37%	2.36%	2.64%	0.37%	22.16%	59.94%	10.34%	1.81%	100.00%
Cases on Appeal at 12-31-90		0	2	2	0	1	0	3	0	8
Docketed Cases Open at 12-31-90		3	5	2	16	18	46	11	2	103

*Includes 365 tariff filings and 24 map filings.

FIGURE NO. 2-2
ELECTRIC, GAS, & TELEPHONE GENERAL RATE CASE DATA
AMOUNTS REQUESTED & GRANTED
FOR THE CALENDAR YEARS 1971-1990 (A)
(\$000s)

Electric Group	Requested	Granted	% Granted	Gas Group	Requested	Granted	% Granted
1971	\$56,533	\$39,045	69.1	1971	\$6,414	\$4,955	77.3
1972	63,728	48,120	75.5	1972	277	175	63.2
1973	32,555	22,769	69.9	1973	7,220	2,264	31.4
1974	144,793	61,439	42.4	1974	4,806	4,806	100.0
1975	186,871	175,255	93.8	1975	5,952	4,817	80.9
1976	82,656	82,656	100.0	1976	0	0	0.0
1977	77,711	49,615	63.8	1977	4,451	1,514	34.0
1978	83,996	51,423	61.2	1978	18,124	12,533	69.2
1979	35,511	28,314	79.7	1979	5,984	4,353	72.7
1980	238,709	172,625	72.3	1980	1,284	1,216	94.7
Sub Total	\$1,003,063	\$731,261	72.9	Sub Total	\$54,512	\$36,633	67.2
1981	\$379,813	\$299,200	78.8	1981	\$8,801	\$5,610	63.7
1982	382,009	80,244	21.0	1982	31,397	23,615	75.2
1983	298,072	186,919	62.7	1983	13,615	3,057	22.5
1984	364,717	195,541	53.6	1984	0	0	0.0
1985	292,763	157,671	53.9	1985	19,744	15,049	76.2
1986	236,455	133,080	56.3	1986	13,701	8,393	61.3
1987	173,351	92,467	53.3	1987	357	244	68.3
1988	202,957	134,819	66.4	1988	9,616	6,248	65.0
1989	0	0	0.0	1989	7,305	5,412	74.1
1990	0	0	0.0	1990	0	0	0.0
Sub Total	\$2,330,137	\$1,279,941	54.9	Sub Total	\$104,536	\$67,628	64.7
Grand Total	\$3,333,200	\$2,011,202	60.3	Grand Total	\$159,048	\$104,261	65.6

Telephone Group	Requested	Granted	% Granted	Electric, Gas, & Telephone Groups	Requested	Granted	% Granted
1971	\$25,512	\$14,722	57.7	1971	\$88,459	\$58,722	66.4
1972	34,323	15,834	46.1	1972	98,328	64,129	65.2
1973	9,299	3,993	42.9	1973	49,074	29,026	59.1
1974	33,812	8,271	24.5	1974	183,411	74,516	40.6
1975	76,477	51,015	66.7	1975	269,300	231,087	85.8
1976	14,683	10,232	69.7	1976	97,339	92,888	95.4
1977	4,325	3,591	83.0	1977	86,487	54,720	63.3
1978	73,766	36,000	48.8	1978	175,886	99,956	56.8
1979	5,812	3,560	61.3	1979	47,307	36,227	76.6
1980	45,282	25,489	56.3	1980	285,275	199,330	69.9
Sub Total	\$323,291	\$172,707	53.4	Sub Total	\$1,380,866	\$940,601	68.1
1981	\$116,382	\$74,526	64.0	1981	\$504,996	\$379,336	75.1
1982	190,393	114,383	60.1	1982	603,799	218,242	36.1
1983	177,407	67,559	38.1	1983	489,094	257,535	52.7
1984(B)	104,105	56,757	54.5	1984	468,822	252,298	53.8
1985	2,432	879	36.1	1985	314,939	173,599	55.1
1986	11,862	7,077	59.7	1986	262,018	148,550	56.7
1987	712	355	49.9	1987	174,420	93,066	53.4
1988	0	0	0.0	1988	212,573	141,067	66.4
1989	0	0	0.0	1989	7,305	5,412	74.1
1990	0	0	0.0	1990	0	0	0.0
Sub Total	\$603,293	\$321,536	53.3	Sub Total	\$3,037,966	\$1,669,105	54.9
Grand Total	\$926,584	\$494,243	53.3	Grand Total	\$4,418,832	\$2,609,706	59.1

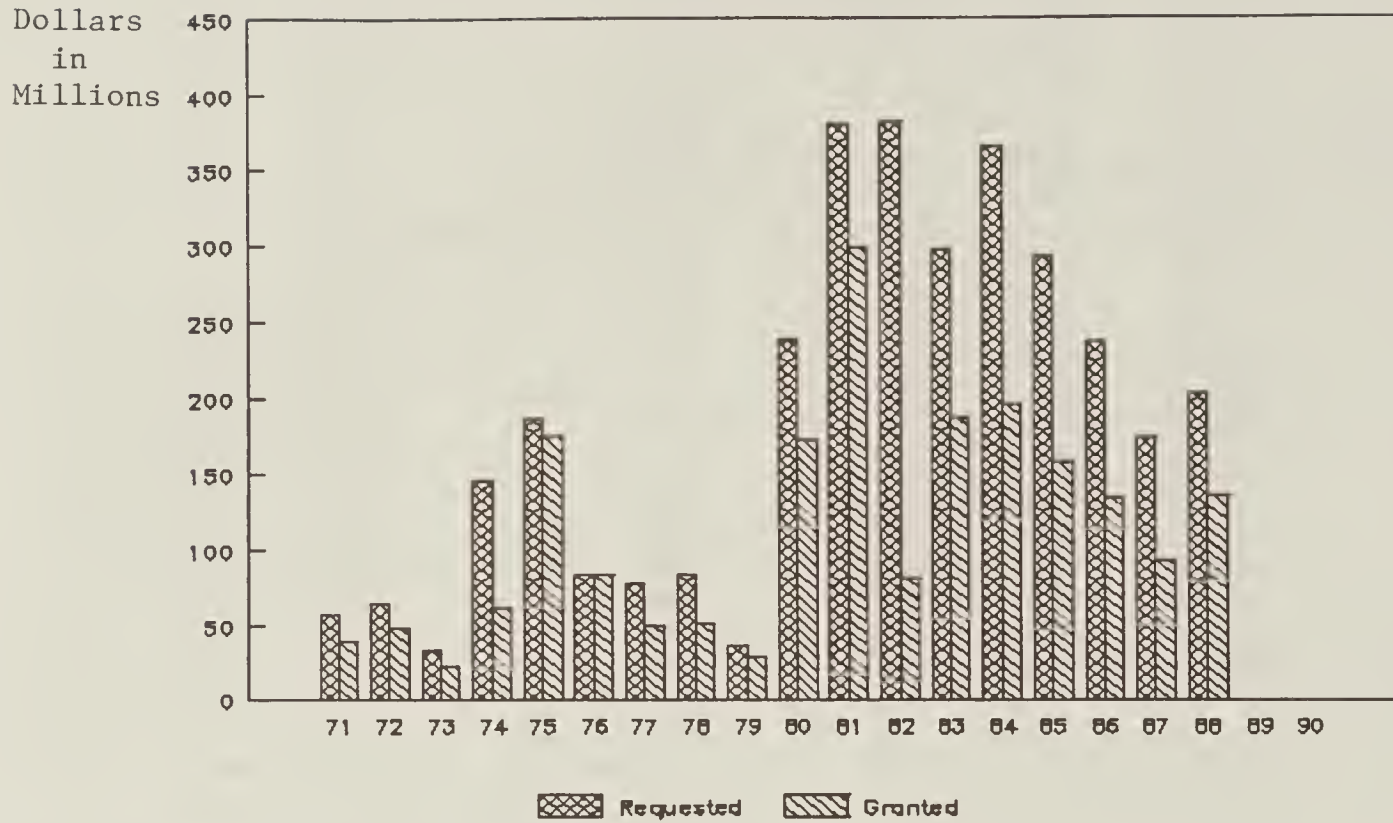
(A) Regarding the columns entitled amounts requested and granted, the final amounts requested from the utility companies are listed.

(B) These figures include an amount (\$4,781,000) of toll revenues from the American Telephone & Telegraph Company toll settlement hearing (Docket No. P-100, Sub 69, dated 9-14-84).

Note: There were rate increases heard in 1990, however, no decision was made in any of these cases.

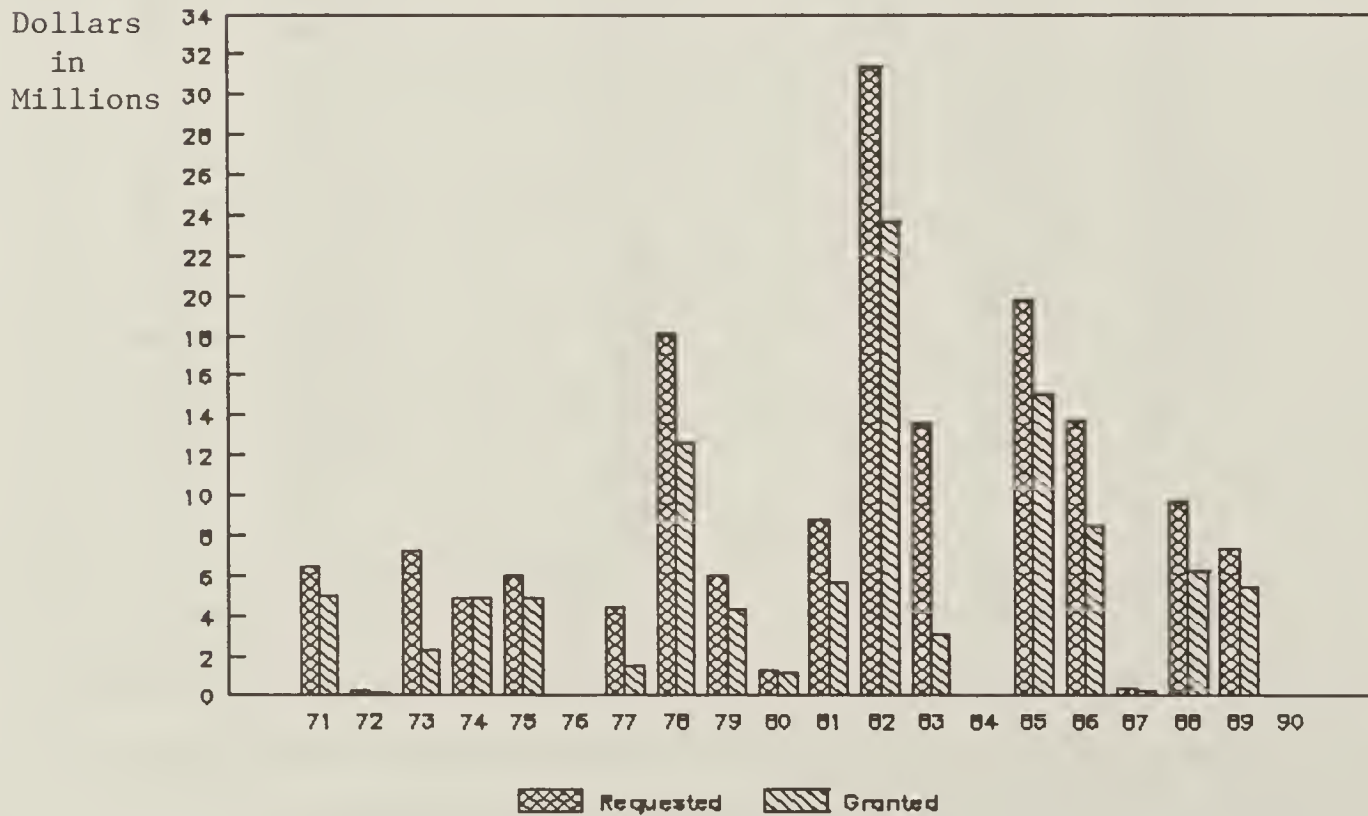
FIGURE NO. 2-2 CONTINUED

ELECTRIC:



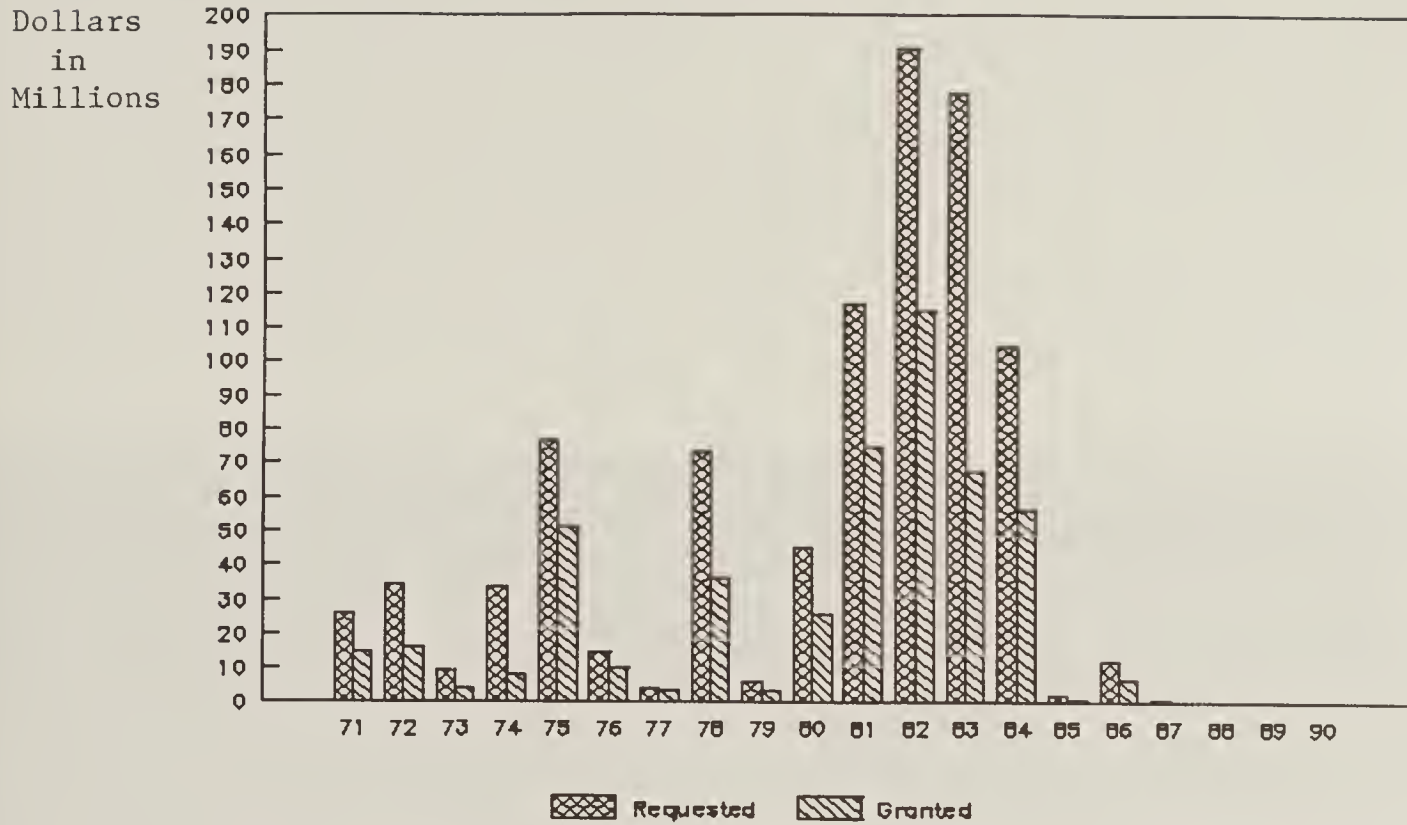
Note: There were 2 rate increases filed in 1990, however, no decision had been made at the end of 1990.

GAS:



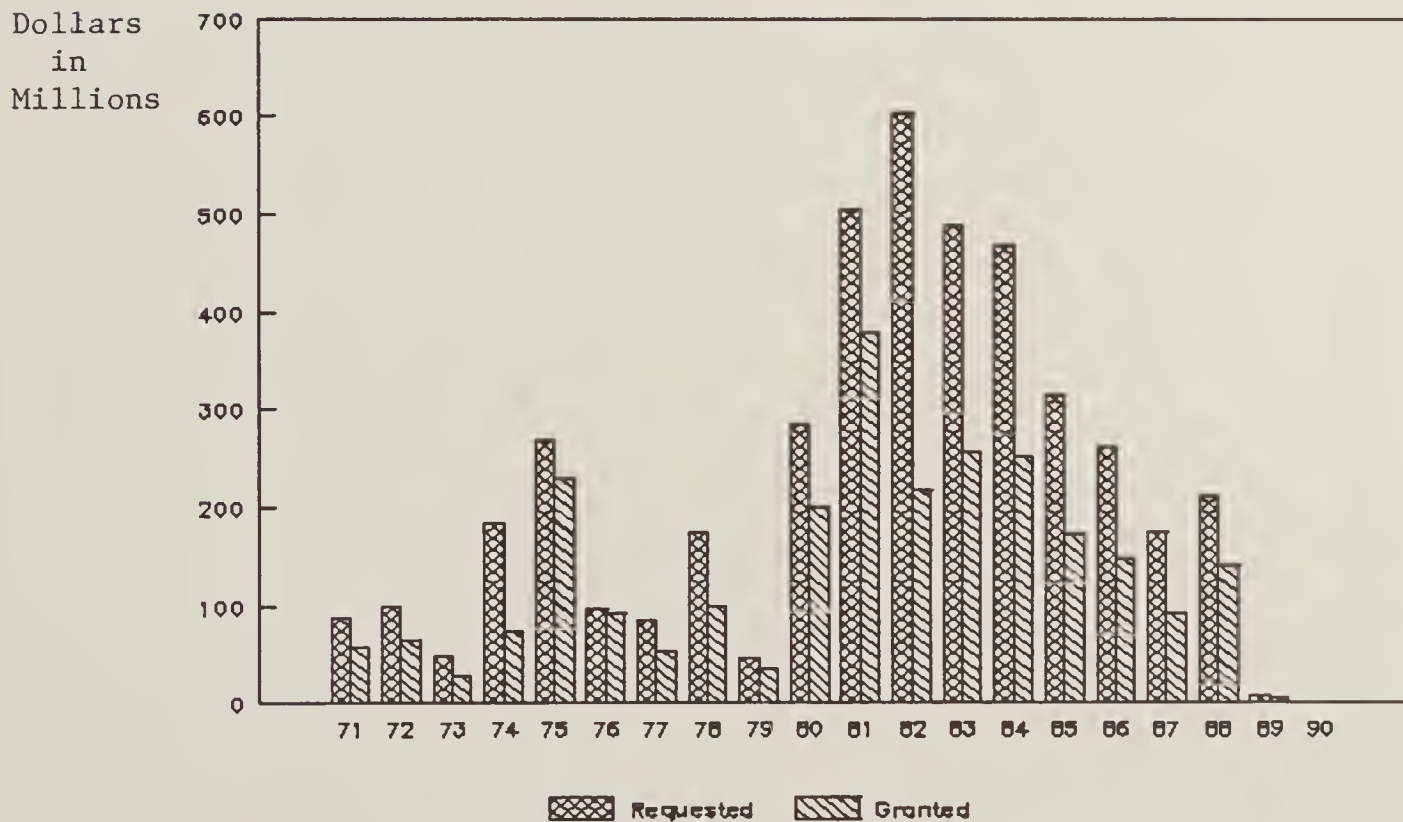
Note: There were 2 rate increases filed in 1990, however, no decision had been made at the end of 1990.

TELEPHONE:



Note: There was one rate increase requested in 1990, however, no decision had been made at the end of 1990.

ELECTRIC, GAS & TELEPHONE:



Note: There were rate increased heard in 1990, however, no decisions had been made at the end of 1990.

III. Summary Of The Commission Activities And Operations — 1989 And Prior Years

A. OVERVIEW OF SIZE, OPERATING RESULTS, AND NUMBER OF COMPANIES REGULATED

As shown on Figure No. 3-1, the major regulated electric, gas, and telephone companies experienced increases in plant investment, total capitalization, and total customers served or access lines in service. At December 31, 1989, there were 1,992 companies regulated by the North Carolina Utilities Commission as compared with 1,902 in 1988. In addition, 81 municipal utility systems, while not regulated by the Commission, were required to file annual reports, making a grand total of 2,073 utilities regulated or required to file annual reports as of December 31, 1989. Many changes take place annually in various utility groups since new companies are being certified and others are being deleted because of sales, mergers, and abandonments. See Figure No. 3-2.

B. COMMISSION CASE LOAD: FORMAL AND INFORMAL HEARINGS

In addition to the multiplicity of decisions made informally by the Commission in conferences with its staff and interested parties, the Commission maintains a full docket of formal and semiformal hearings and conferences. There are many small complaints and inquiries disposed of daily by individual Commissioners and individual staff heads (both Commission and Public Staff). These Complaints are handled through discussions with utility customers, executives, representatives, organizations, and associations.

During 1989 there were 2,157 proceedings acted upon, as compared to 1,989 proceedings in 1988. There were 279 formal hearings and 1,878 informal hearings in 1989. In 1988 there were 288 formal hearings and 1,383 informal hearings.

The proceedings required much time and effort by personnel of both the Commission and Public Staff and even more time in actual public hearings.

The number of pages transcribed by the court reporters for the years 1975 through 1989 are as follows:

Year	No. of Pages Transcribed
1975	27,938
1976	23,942
1977	30,056
1978	34,057
1979	28,442
1980	28,829
1981	34,205
1982	25,447
1983	28,191
1984	27,737
1985	23,051 (a)
1986	20,510 (a)
1987	16,716 (a)
1988	21,611 (a)
1989	14,003 (a)

(a) The number of full-time court reporters vary from year to year, and in 1986 one position was eliminated. As a result of the fluctuation in the number of reports, outside court reporting firms transcribed 6,090 additional pages in 1985, 1,755 additional pages in 1986, 2,634 additional pages in 1987, 4,767 additional pages in 1988, and no additional pages in 1989.

The general rate increase hearings continued to generate much public interest in 1989. The Attorney General represented some segments of the public sector who wished to intervene, while others provided their own legal counsel. In addition, the Public Staff intervened in most cases and made their recommendations to the Commissioners. The Public Staff was created by the 1977 Legislature as an independent advocate charged with the responsibility of representing the using and consuming public.

Many docketed issues are settled by letter-type orders and rulings. There were 755 letter-type orders issued in 1989. These are largely matters in which no one has intervened or no general public interest has been demonstrated, as in the case of many

gas, electric, telephone, and transportation filings. This type of proceeding generally requires only about 10% to 20% of the time of the Commission staff and Commissioners.

Complaint Activity

Another important facet of the Commission and Public Staff workload involves the handling of customer complaints dealing with all aspects of utility operations and services. A vast majority of these complaints are settled without becoming a docketed item and going into formal hearing proceedings. The Public Staff's Consumer Services Division investigated and resolved a majority of these complaints. To illustrate the magnitude of this phase of the Commission workload, the number of complaints received and handled in 1989 was 5,173, compared to 5,045 in 1988.

C. GENERAL IMPACT OF THE REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA IN 1989

The regulated utility companies made significant contributions to the economy of the State during 1989. Figure Nos. 3-3, 3-4, and 3-5 portray the magnitude of the contributions in chart and table form. In 1989 employment by the utilities showed an increase of 4.4% from the previous year. Salaries and wages paid to the utility employees continued to increase in dollar amounts from more than \$2.9 billion in 1988 to \$3.8 billion in 1989, a 21.5% increase. It should be noted that the salaries and wages paid by motor freight and motor passenger carriers include some nonregulated salaries and wages. Accurate and precise separated data is not currently available.

State income, franchise, and property taxes paid by the regulated sector of the State's business community continued to be substantial.

Type Taxes	Utilities Percent of State Totals	
	1988	1989
State Franchise Tax	66.5	68.5
Local Property Tax	5.2	5.5
State Income Tax (Corporations Only)	12.2	14.2
Bus and Truck Fees	15.2	15.8
Total of Above Taxes	12.6	13.1

In 1989, gross operating revenues continued to increase for both electric and telephone utilities. Figure No. 3-5 depicts this growth with the four Class A electric companies showing an increase of .4% in 1989 compared to 1988.

Investment in gross plant allocated to North Carolina by the electric, gas, and telephone utility companies continued to increase over the previous year. There was a 5.7% increase in the 1989 total gross plant allocated to North Carolina compared to the previous year, making a total of more than \$22 billion as of December 31, 1989 (\$22,101,954,000). The increased electric and gas plant investment will serve the increasing number of electric and gas customers which numbered 2,659,704 in 1989 compared to 2,569,993 in 1988. In 1989 there were 3,101,694 telephone access lines reported compared to 2,985,528 in 1988. The telephone industry changed its system of reporting the number of telephones served by each company to the number of access lines (P-100, Sub 58, dated January 11, 1987). As a result of the 3.7% increase in access lines, more funds will be required to provide adequate service to these additional access lines. The use of the term "access" lines instead of "main" lines and the change in method of counting these lines results primarily from the divestiture of American Telephone and Telegraph Company of its operating companies.

The regulated motor freight, motor passenger, and railroad industries play an important role in the industry of North Carolina. However, due to accounting classification changes and

the changes in reporting of information by carriers, less information was available than has been in the past. For detailed information please refer to section nine for The Transportation Industry -- Motor Freight Carriers, section ten for The Transportation Industry -- Motor Passenger Carriers, and section eleven for The Transportation Industry--Railroads.

FIGURE NO. 3-1

HIGHLIGHTS OF ACTIVITIES
ELECTRIC, GAS, & TELEPHONE UTILITIES
1989 VS. 1988
(Dollars in Thousands)

HIGHLIGHTS OF ACTIVITIES	ELECTRIC - MAJOR COMPANIES			GAS - ALL CLASSES			TELEPHONE - ALL CLASSES		
	1988	1989	% Change	1988	1989	% Change	1988	1989	% Change
Revenues and Expenses (N.C. Only):									
Operating Revenues	\$4,682,511	\$4,868,045	4.0	\$595,612	\$605,787	1.7	\$1,974,931	\$2,089,850	5.8
Operating Expenses	3,772,693	3,825,754	1.4	538,253	544,031	1.1	1,568,854	1,679,215	7.0
Net Operating Income Including Taxes	\$909,818	\$1,042,291	14.6	\$57,359	\$61,756	7.7	\$406,077	\$410,635	1.1
Other Income (Deductions) Net (A)	64,101	99,981	56.0	3,913	4,240	8.4	10,377	8,593	(17.2)
Fixed Charges	387,815	384,796	(0.8)	22,721	27,362	20.4	102,252	107,998	5.6
Net Income	\$586,104	\$757,476	29.2	\$38,551	\$38,634	0.2	\$314,202	\$311,230	(0.9)
Plant (N.C. Only):									
Gross Plant (B)	\$14,482,241	\$15,289,255	5.6	\$788,174	\$875,524	11.1	\$5,649,009	\$6,011,314	6.4
Accumulated Depreciation	3,767,663	4,156,923	10.3	232,843	253,086	8.7	1,815,808	2,125,585	17.1
Net Plant	\$10,714,578	\$11,132,332	3.9	\$555,331	\$622,438	12.1	\$3,833,201	\$3,885,729	1.4
Capital Structure (Systemwide):									
Capital Stock & Surplus	\$10,660,319	\$11,479,806	7.7	\$310,540	\$257,768	(17.0)	\$8,418,132	\$9,001,401	6.9
Long-Term Debt	9,130,846	9,475,334	3.8	276,167	262,099	(5.1)	4,884,756	4,748,215	(2.8)
Total Capital Structure	\$19,791,165	\$20,955,140	5.9	\$586,707	\$519,867	(11.4)	\$13,302,888	\$13,749,616	3.4
Long-Term Debt % of Total Capitalization	46.1	45.2	(2.0)	47.1	50.4	7.1	36.7	34.5	(6.0)
Other Statistics (N.C. Only):									
Total Customers Yearly Average	2,083,964	2,134,389	2.4	486,029	525,315	8.1			
Average Number of kWhs per Residential Customer	12,375	12,253	(1.0)						
Average Number of Mcfs Used per Residential Customer				85	80	(5.9)			
Average Revenue per Residential Customer:									
Electric Residential Customer (cents per kWh)	7.32	7.43	1.5	\$6.14	\$6.39	4.1			
Gas Residential Customer (\$ per dekatherm)									
Total Access Lines in Service							2,985,528	3,101,694	3.9
Average No. of Calls per Access Line: (C)									
Local							2,769	3,042	9.9
Toll							307	335	9.1

(A) Includes all Allowance for Funds Used During Construction (AFUDC) and all Extraordinary and Delayed Items.

(B) Includes Plant in Service, Under Construction, Held for Future Use, and Leased to Others.

(C) Information available for the nine largest telephone companies.

FIGURE NO. 3-2

MAJOR UTILITIES REGULATED AND REPORTING TO THE
NORTH CAROLINA UTILITIES COMMISSION
1985, 1986, 1987, 1988 and 1989

Number as of December 31

Type of Utility or Service	1985	1986	1987	1988	1989
Electric*	6	6	6	6	7
Gas	4	4	4	4	4
Motor Freight Carriers by Type:					
Common Carriers	681	789	743	812	862
Contract Carriers	209	162	180	197	199
Common & Contract Carriers	57	49	66	64	75
Railroad Motor Freight Carriers	0	0	0	0	0
Total Motor Freight Carriers	947	1,000	989	1,073	1,136
Motor Passenger Carriers by Type:					
Common Carriers	46	46	41	57	64
Contract Carriers	1	2	1	1	1
Intracity Carriers (Fares only regulated)	2	4	2	2	2
Motor Boat Common Carriers	3	3	3	3	8
Transportation Brokers	58	58	61	62	64
Total Motor Passenger Carriers	110	113	108	125	139
Railroad Companies	22	21	23	25	22
Telephone-Local Exchange Carriers	19	19	19	19	19
Telephone-Long Distance Carriers	17	14	14	17	17
Customer Owned Coin Operated Telephones (COCOTS)**	N/APPL	131	168	213	278
Cellular**	8	8	14	16	19
Radio Common Carriers**	14	10	12	10	10
Telegraph	1	1	1	1	1
Water & Sewer	386	380	383	393	340
Total Utilities Under Regulation	1,534	1,707	1,741	1,902	1,992
Municipal Utility Systems Required to File Annual Reports with N.C. Utilities Commission:					
Electric	71	71	71	71	72
Gas	8	8	8	8	8
Telephone	1	1	1	1	1
Total Municipals Filing Annual Reports	80	80	80	80	81
Grand Total of all Utilities Regulated or Required to File Reports	1,614	1,787	1,821	1,982	2,073

* Shipyard Power & Light Company was established in 1989.

**COCOTS, Radio Common Carriers and Cellular categories were added to totals for 1989 and recalculated for all prior years in above chart.

FIGURE NO. 3-3

IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA
1984, 1985, 1986, 1987, 1988 & 1989
Utilities Percent of State Totals

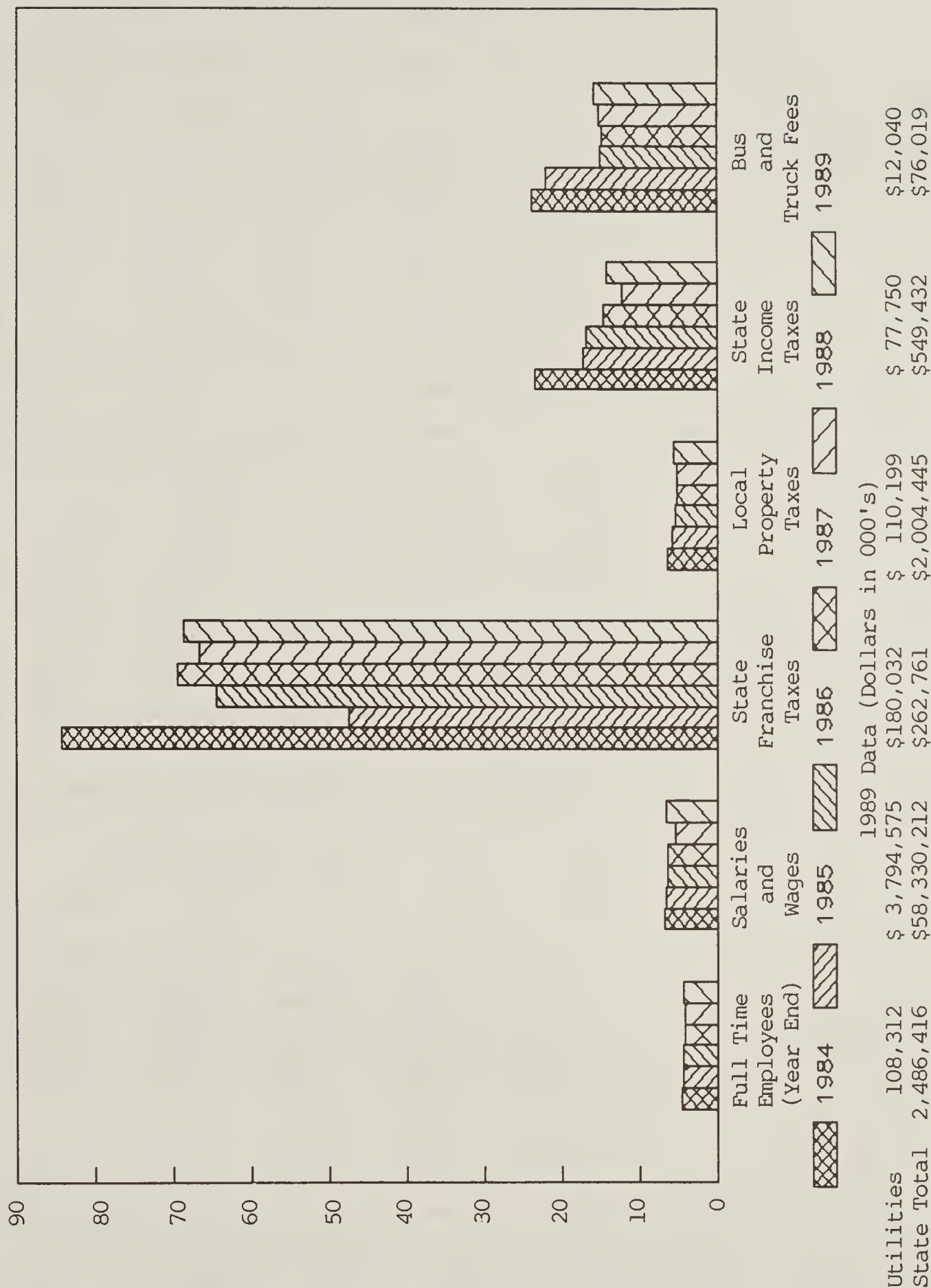


FIGURE NO. 3-4
IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA
SELECTED STATISTICS ABOUT EMPLOYMENT, WAGES, AND CERTAIN TAXES
PAID OR LEVIED--FOR THE YEARS 1979, 1984, 1985, 1986, 1987, 1988 AND 1989

NUMBER OF FULL-TIME EMPLOYEES (N.C. PORTION ONLY)

UTILITY	1979	1984	1985	1986	1987	1988	1989
Electric (Major)	17,959	21,017	21,798	23,075	22,575	22,475	20,939
Gas	1,891	2,305	2,404	2,697	2,577	2,646	2,789
Telephone	21,188	16,495	15,827	15,509	15,873	16,052	15,973
Motor Freight Carriers (A)	41,734	46,298	47,917	49,633	52,719	55,061	60,572
Motor Passenger Carriers (A)	2,168	2,197	2,076	2,166	2,041	1,942	3,596
Railroads	6,987	6,183	5,428	5,072	4,541	4,644	4,418
Western Union	110	66	53	40	29	27	25
Total Utilities	92,037	94,561	95,503	98,192	100,355	102,847	108,312
Total for State	1,935,641	2,138,137	2,223,223	2,297,759	2,393,592	2,507,745	2,486,416
Utilities % of State Total	4.8%	4.5%	4.3%	4.3%	4.2%	4.1%	4.4%

SALARIES AND WAGES PAID N.C. EMPLOYEES (000s)

UTILITY	1979	1984	1985	1986	1987	1988	1989
Electric (Major)	\$297,320	\$586,984	\$647,158	\$705,671	\$753,196	\$775,522	\$776,458
Gas	26,774	48,771	53,141	59,957	62,080	67,940	75,488
Telephone	359,413	458,157	474,053	490,138	508,671	538,051	556,612
Motor Freight Carriers (A)	657,291	941,821	974,330	1,035,028	1,141,861	1,418,320	2,201,576
Motor Passenger Carriers (A)	27,787	36,736	34,909	37,153	33,433	31,079	47,528
Railroads	136,493	160,162	154,903	138,017	151,041	145,017	136,111
Western Union	1,324	2,219	2,186	1,181	920	837	802
Total Utilities	\$1,506,402	\$2,234,850	\$2,340,680	\$2,467,145	\$2,651,202	\$2,976,766	\$3,794,575
Total for State (A)	\$21,050,398	\$32,761,445	\$35,586,322	\$38,561,539	\$42,366,808	\$54,993,366	\$58,330,212
Utilities % of State Total	7.2%	6.8%	6.6%	6.4%	6.3%	5.4%	6.5%

AVERAGE ANNUAL COMPENSATION

UTILITY	1979	1984	1985	1986	1987	1988	1989
Electric (Major)	\$16,555	\$27,929	\$29,689	\$30,582	\$33,364	\$34,506	\$37,082
Gas	14,159	21,159	22,105	22,231	24,090	25,676	27,066
Telephone	16,963	26,683	28,690	31,603	32,046	33,519	34,847
Motor Freight Carriers	15,750	20,343	20,334	20,854	21,659	25,759	36,346
Motor Passenger Carriers	12,817	16,721	16,816	17,153	16,381	16,004	13,217
Railroads	19,535	25,904	28,538	27,212	33,262	31,227	30,808
Western Union	12,036	33,621	41,245	29,525	31,724	31,000	32,080
Total Utilities	\$16,367	\$23,466	\$24,332	25,126	26,418	28,944	35,034
Total for State	\$10,875	\$15,322	\$16,007	16,782	17,700	21,929	23,460

(A) Table 1, "Insured Employment & Wage Payments" for years reported: Motor Freight--Industry Group 421; Motor Passenger--Industry Group 411 & 413. This data includes both regulated and nonregulated. The regulated freight carriers number about 1/3 and the passenger carriers about 58% of the total carriers included in the statewide industry groupings. A reliable and accurate separation between regulated and nonregulated wages and salaries for these groups is not available. State totals are for all industries with insured employment.

FIGURE NO. 3-4 CONTINUED
IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA
SELECTED STATISTICS ABOUT EMPLOYMENT, WAGES, AND CERTAIN TAXES
PAID OR LEVIED--FOR THE YEARS 1979, 1984, 1985, 1986, 1987, 1988 AND 1989

STATE FRANCHISE TAXES (000S)

UTILITY	1979	1984	1985	1986	1987	1988	1989
Electric (Major)	\$117,579	\$212,661	\$113,854	\$119,412	\$128,361	\$131,318	\$130,489
Gas	20,427	43,728	20,894	18,802	19,851	19,056	18,001
Telephone	46,989	71,511	42,579	30,358	44,511	46,208	29,490
Railroads (A)	1,713	1,618	1,399	2,948	2,218	1,957	2,028
Western Union (A)	41	44	41	42	22	22	24
Total Utilities	\$186,749	\$329,562	\$178,767	\$171,562	\$194,963	\$198,561	\$180,032
Total for State (B)	\$250,918	\$391,316	\$377,154	\$266,795	\$280,968	\$298,550	\$262,761
Utilities % of State Total	74.4%	84.2%	47.4%	64.3%	69.4%	66.5%	68.5%

LOCAL PROPERTY TAXES (000s)

UTILITY	1979	1984	1985	1986	1987	1988	1989
Electric (Major)	\$33,393	\$43,186	\$42,695	\$53,225	\$57,310	\$65,357	\$66,925
Gas	2,984	3,594	3,958	4,201	4,049	4,729	5,001
Telephone	30,084	29,729	30,697	31,848	31,454	31,500	31,590
Motor Freight Carriers	1,513	1,444	1,484	2,066	2,447	2,887	2,950
Railroads	4,613	7,426	5,001	2,630	3,436	3,668	3,700
Western Union (C)	56	68	69	53	41	34	33
Total Utilities	\$72,643	\$85,447	\$83,904	\$94,023	\$98,737	\$108,175	\$110,199
Total for State (D)	\$867,422	\$1,338,227	\$1,468,470	\$1,753,362	\$1,906,847	\$2,078,463	\$2,004,445
Utilities % of State Total	8.4%	6.4%	5.7%	5.4%	5.2%	5.2%	5.5%

STATE INCOME TAXES (000S)

UTILITY	1979	1984	1985	1986	1987	1988	1989
Electric (Major)	\$16,460	\$55,737	\$51,130	\$45,023	\$32,890	\$34,320	\$35,128
Gas	1,420	2,380	881	1,564	3,592	3,138	3,111
Telephone	14,223	23,405	27,259	30,384	36,832	27,754	27,809
Motor Freight (Class I & II) (E)	1,500	3,443	3,502	3,694	4,448	5,338	5,850
Motor Passenger Carriers (E)	177	57	51	54	52	52	52
Railroads	1,326	565	1,356	4,514	4,172	5,629	5,800
Total Utilities	\$35,106	\$85,587	\$84,179	\$85,233	\$81,986	\$76,231	\$77,750
Total for State (Corps.) (A)	\$284,669	\$367,824	\$489,656	\$510,675	\$563,529	\$625,973	\$549,432
Utilities % of State Total	12.3%	23.3%	17.2%	16.7%	14.5%	12.2%	14.2%

BUS AND TRUCK FEES (000s) (F)

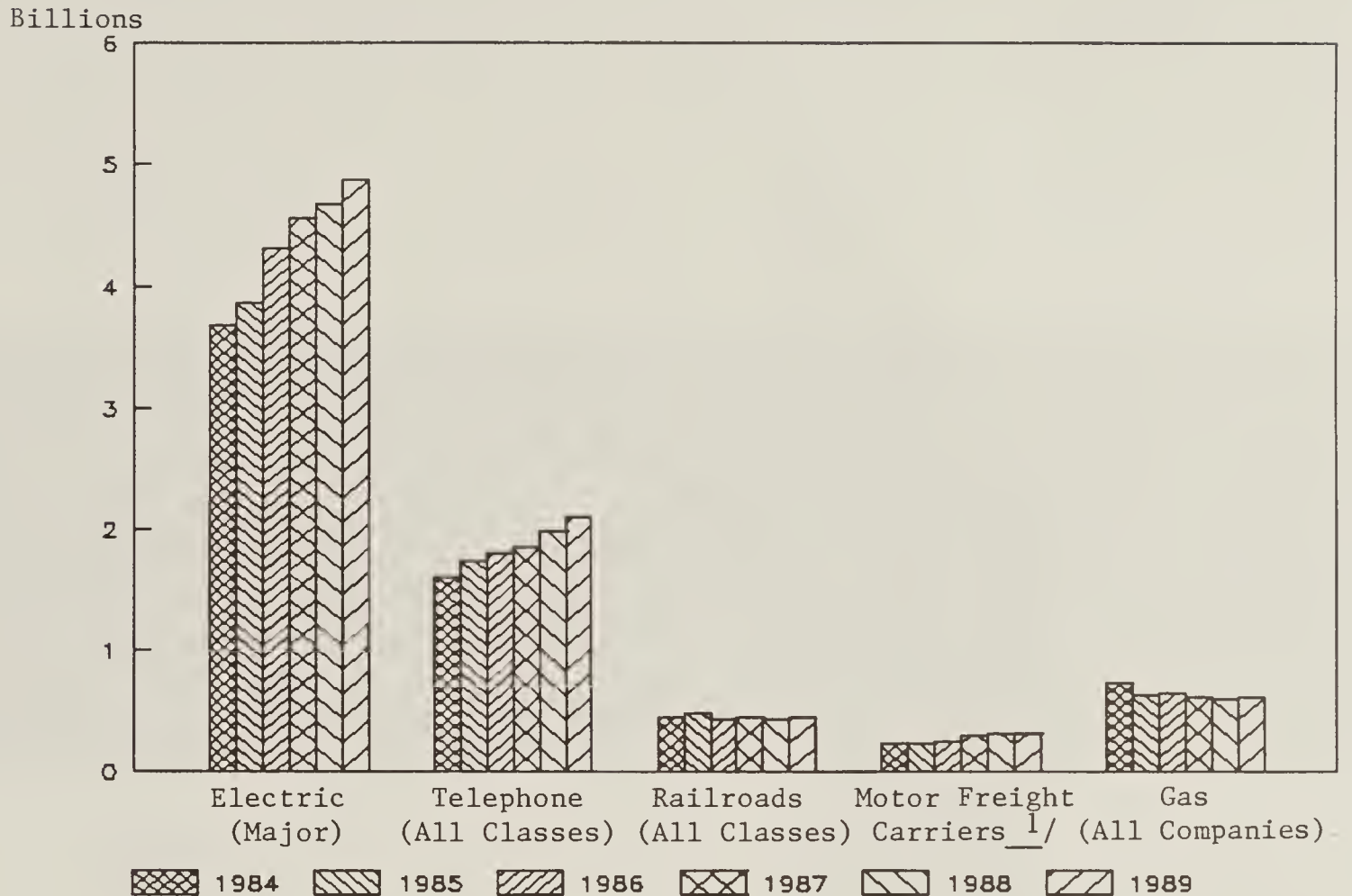
UTILITY	1979	1984	1985	1986	1987	1988	1989
Motor Freight Carriers(Class I & II)	\$9,763	\$14,479	\$13,955	\$9,871	\$10,396	\$10,916	\$11,420
Motor Passenger Carriers	603	783	754	534	562	590	620
Total Utilities	\$10,366	\$15,262	\$14,709	\$10,405	\$10,958	\$11,506	\$12,040
Total for State	\$61,214	\$64,528	\$67,011	\$69,200	74,445	75,711	76,019
Utilities % of State Total	16.9%	23.7%	22.0%	15.0%	14.7%	15.2%	15.8%

FOOTNOTES FOR FIGURE NO. 3-4

- (A) "Statement of the Condition of the General Fund" for the appropriate year
- (B) "Statement of the Condition of the General Fund" - total franchise taxes, plus "Tax Guide" - truck plate and international registration plan (IRP) taxes
- (C) Derived from the valuation of property and the property tax rate for the appropriate year. Numbers obtained from tables 73 and 76 of the "Statistics of Taxation"
- (D) "Statistics of Taxation" table 72 for the appropriate year
- (E) "Statistics of Taxation" table 41 for the appropriate year
The 1985-1987 state income taxes for Motor Freight & Motor Passenger Carriers was not available from the Tax Research Division of the NC Department of Revenue; therefore, the numbers have been calculated using the gross operating revenue % increase or decrease for the appropriate year and applying it to the previous year's income tax
- (F) "Tax Guide" for the appropriate year

FIGURE NO. 3-5

GROSS OPERATING REVENUES OF THE MAJOR UTILITIES IN NORTH CAROLINA
N. C. DATA ONLY
For the Calendar Years 1984, 1985, 1986, 1987, 1988 & 1989



	Motor Passenger Carriers ^{2/}	Water & Sewer ^{3/}	Western Union
1984	\$37.7 Million	\$ 8.1 Million	\$ 745 Thousand
1985	33.8 Million	8.3 Million	681 Thousand
1986	35.8 Million	11.4 Million	701 Thousand
1987	34.5 Million	12.8 Million	370 Thousand
1988	32.8 Million	16.1 Million	259 Thousand
1989	32.8 Million	20.3 Million	200 Thousand

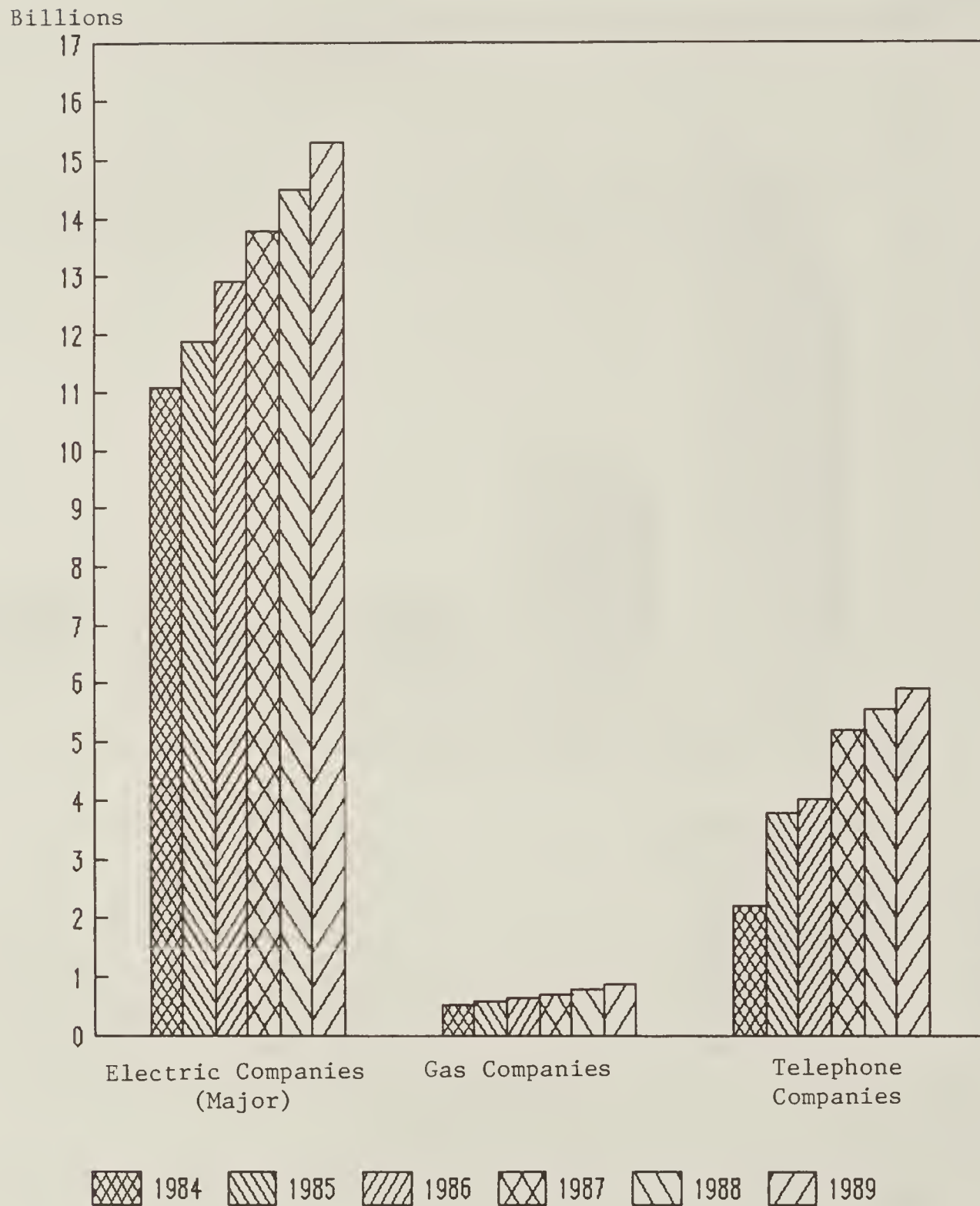
^{1/} Classes I and II were used. ICC reclassification of carriers in 1979 reduced Class I and Class II carriers sharply.

^{2/} Includes Class I and II Carriers.

^{3/} For 1985, 13 of the larger companies. For 1986, 1987, 1988, 1989, 14 of the larger companies.

FIGURE NO. 3-6

GROSS PLANT ALLOCATED TO SERVE NORTH CAROLINA CUSTOMERS
ELECTRIC--GAS--TELEPHONE
For the Years 1984, 1985, 1986, 1987, 1988 and 1989





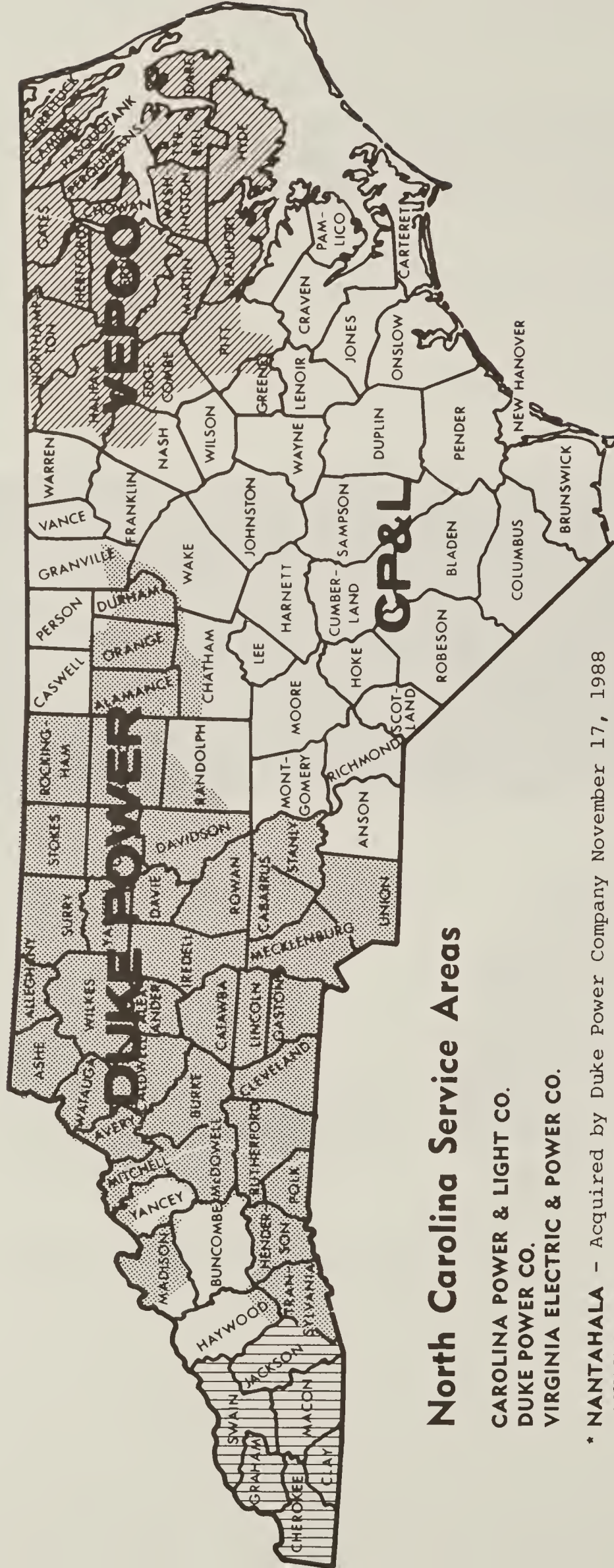
IV. The Electric Power Industry

FIGURE NO. 4-1

Private Power Company Service Areas

CLASS A COMPANIES

Regulated by North Carolina Utilities Commission



North Carolina Service Areas

CAROLINA POWER & LIGHT CO.
DUKE POWER CO.
VIRGINIA ELECTRIC & POWER CO.

* NANTAHALA - Acquired by Duke Power Company November 17, 1988

* SERVES PORTIONS OF THE FOLLOWING COUNTIES:
CHEROKEE, CLAY, GRAHAM, JACKSON, MACON, SWAIN

Service Area Boundaries as of
January 1, 1991

NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATIONS

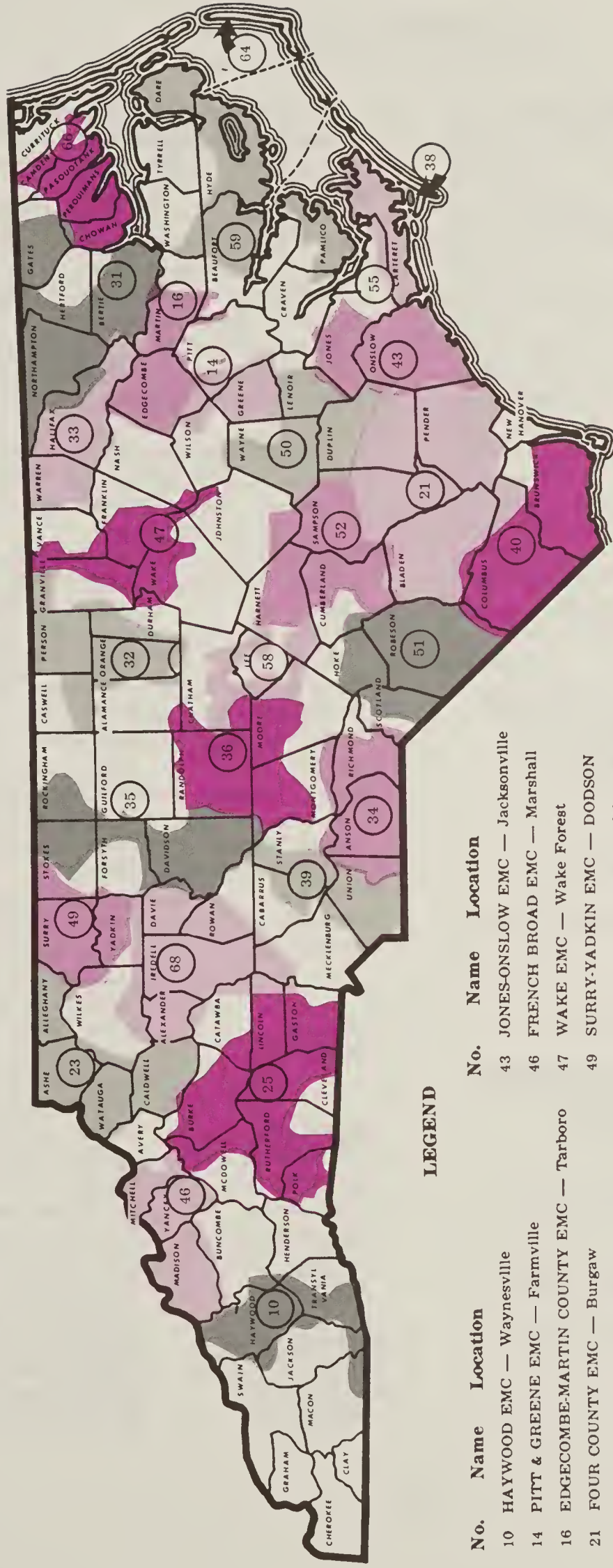


FIGURE NO. 4-2

Service Area Boundaries as of
January 1, 1991

NORTH CAROLINA ELECTRIC
MEMBERSHIP CORPORATION

3333 North Boulevard
Raleigh, N C 27604

FIGURE NO. 4-3

MAJOR ELECTRIC COMPANIES

At December 31, 1990
(Fully Regulated)

**CAROLINA POWER & LIGHT COMPANY
RALEIGH, NORTH CAROLINA**

Organized: April 6, 1926
Chairman, President, and Chief
Executive Officer:
Sherwood H. Smith, Jr., Raleigh, N.C.
States Served: North Carolina and
South Carolina

**DUKE POWER COMPANY
CHARLOTTE, NORTH CAROLINA**

Organized: May 1917
Chairman of the Board and President:
William S. Lee, Charlotte, N.C.
States Served: North Carolina and
South Carolina

**NANTAHALA POWER AND LIGHT COMPANY
WHOLLY OWNED SUBSIDIARY OF
DUKE POWER COMPANY
FRANKLIN, NORTH CAROLINA**

Organized: July 23, 1929
Acquired by Duke Power Company:
November 17, 1988
President and Chief Executive Officer:
E. N. Hedgepeth
Executive Vice-President:
N. E. Tucker, Jr.
State Served: North Carolina

**VIRGINIA ELECTRIC AND POWER COMPANY
DOING BUSINESS AS
NORTH CAROLINA POWER COMPANY**

Organized: June 29, 1909
Chairman of the Board of Directors:
William W. Berry
President, Chief Executive Officer and
Director: James T. Rhodes, PHD.,
Richmond, Virginia
States Served: North Carolina and
Virginia

SMALL ELECTRIC COMPANIES

At December 31, 1990
(Fully Regulated)

COMPANY	COUNTY SERVED**
New River Power & Light	Watauga County
Shipyard Power & Light	Watauga County
Company	Watauga County
Western Carolina	Jackson County
University	Jackson County
**Entire County is not served by the companies listed.	

**MUNICIPAL ELECTRIC SYSTEMS
AND SOURCE OF POWER
(Not Regulated)**

MUNICIPALITY	SOURCE OF POWER
Albemarle	Duke Power Company
Apex	Carolina Power & Light
Ayden	Carolina Power & Light
Belhaven	North Carolina Power
Benson	Carolina Power & Light
Black Creek	Wilson
Boone (ASU)	New River Light & Power
Bostic	Duke Power Company, Southeastern Power Administration
Cherryville	Duke Power Company Shelby
Clayton	Carolina Power & Light
Concord	Duke Power Company
Cornelius	Duke Power Company Crescent Electric Membership Corp.
Dallas	Duke Power Company
Drexel	Duke Power Company Southeastern Power Administration
Edenton	North Carolina Power
Elizabeth City	North Carolina Power
Enfield	North Carolina Power
Farmville	Carolina Power & Light
Fayetteville	Carolina Power & Light
Forest City	Duke Power Company
Fountain	Farmville
Fremont	Carolina Power & Light
Gastonia	Duke Power Company
Granite Falls	Duke Power Company
Greenville	North Carolina Power
Hamilton	North Carolina Power

FIGURE NO. 4-3 CONTINUED

MUNICIPALITY	SOURCE OF POWER	MUNICIPALITY	SOURCE OF POWER
Hertford	North Carolina Power	Pikeville	Carolina Power & Light
High Point	Duke Power Company	Pinetops	Wilson
Highlands	Nantahala Power & Light	Pineville	Duke Power Company
Hobgood	North Carolina Power	Red Springs	Carolina Power & Light
Hookerton	Carolina Power & Light	Robersonville	North Carolina Power
Huntersville	Duke Power Company	Rocky Mount	Carolina Power & Light
Kings Mountain	Duke Power Company	Scotland Neck	North Carolina Power
Kinston	Carolina Power & Light	Selma	Carolina Power & Light
LaGrange	Carolina Power & Light	Sharpsburg	Rocky Mount
Landis	Duke Power Company	Shelby	Duke Power Company
Laurinburg	Carolina Power & Light	Smithfield	Carolina Power & Light
Lexington	Duke Power Company	Southport	Carolina Power & Light
Lincolnton	Duke Power Company	Stantonsburg	Wilson
Louisburg	Carolina Power & Light	Statesville	Duke Power Company
	Southeastern Power	Tarboro	North Carolina Power
	Administration	Wake Forest	Carolina Power & Light
Lucama	Wilson	Walstonburg	Wilson
Lumberton	Carolina Power & Light	Washington	North Carolina Power
MacClesfield	Wilson	Waynesville	Carolina Power & Light
Maiden	Duke Power Company	Wilson	Carolina Power & Light
Monroe	Duke Power Company	Windsor	North Carolina Power
Morganton	Duke Power Company	Winterville	Greenville
	Southeastern Power		
	Administration		
Murphy	TVA		
New Bern	Carolina Power & Light		
Newton	Duke Power Company		
Oak City	Edgecombe-Martin		
	Electric Membership		
	Corporation		
		Total:	72

FIGURE NO. 4-4
N. C. ELECTRIC MEMBERSHIP CORPORATION
AND SOURCE OF POWER
 At December 31, 1990
 (Regulated as to Quality of Service Only)

ELECTRIC MEMBERSHIP CORPORATION

HEADQUARTERS SOURCE OF POWER*

Albemarle	Hertford	NCEMC, SEPA
Blue Ridge	Lenoir	NCEMC, Duke, SEPA, Nantahala
Brunswick	Shallotte	NCEMC, CP&L, SEPA
Cape Hatteras	Buxton	NCEMC
Carteret-Craven	Morehead City	NCEMC, CP&L, SEPA
Central	Sanford	NCEMC, CP&L, SEPA
Crescent	Statesville	NCEMC, Duke, SEPA
Davidson	Lexington	NCEMC, Duke
Edgecombe-Martin County	Tarboro	NCEMC, SEPA
Four County	Burgaw	NCEMC, CP&L, SEPA
French Broad	Marshall	CP&L
Halifax	Enfield	NCEMC, CP&L, SEPA
Harkers Island	Harkers Island	NCEMC, CP&L
Haywood	Waynesville	NCEMC, CP&L, Duke, SEPA, Nantahala
Jones-Onslow	Jacksonville	NCEMC, CP&L, SEPA
Lumbee River	Red Springs	NCEMC, CP&L, SEPA
Pee Dee	Wadesboro	NCEMC, CP&L, Duke, SEPA
Piedmont	Hillsborough	NCEMC, CP&L, Duke, SEPA
Pitt & Greene	Farmville	NCEMC, CP&L, SEPA
Randolph	Asheboro	NCEMC, CP&L, SEPA
Roanoke	Rich Square	NCEMC, CP&L, SEPA
Rutherford	Forest City	NCEMC, Duke, SEPA
South River	Dunn	NCEMC, CP&L, SEPA
Surry-Yadkin	Dobson	NCEMC, Duke
Tideland	Pantego	NCEMC, CP&L, SEPA
Tri-County	Dudley	NCEMC, CP&L, SEPA
Union	Monroe	NCEMC, Duke, SEPA
Wake	Wake Forest	NCEMC, CP&L, Duke, SEPA*

Carolina Power & Light Company (CP&L)
 Duke Power Company (Duke)
 Nantahala Power and Light Company (Nantahala)
 North Carolina Electric Membership Corporation (NCEMC)
 Southeastern Power Administration (SEPA)

FIGURE NO. 4-4 CONTINUED

FOREIGN ELECTRIC MEMBERSHIP CORPORATIONS
At December 31, 1990

ELECTRIC MEMBERSHIP CORPORATIONS	HEADQUARTERS	SOURCE OF POWER
Blue Ridge Mountain Broad River Electric Cooperative, Inc.	Young Harris, GA. Gaffney, S.C.	TVA Saluda Electric Corporations
Mecklenburg Electric Cooperative, Inc.	Chase City, VA.	SEPA, Old Dominion
Tri-State	McCaysville, GA	TVA
Mountain Electric Cooperative, Inc.	Mountain City, TN	TVA

A. GENERAL COMMENTS

There were four major electric utilities operating in North Carolina at December 31, 1989: Carolina Power & Light Company (CP&L), Duke Power Company (Duke), North Carolina Power Company (NC Power), and Nantahala Power and Light Company (Nantahala).

Carolina Power & Light (CP&L) operates twenty-one coal-fired units at eight plants, four nuclear units at three plants, thirty-three combustion turbine generators at nine plants, and fifteen hydroelectric units at four plants. CP&L provides electricity to 804,400 North Carolina customers. The Company provides electricity to approximately 945,000 total customers within a 30,000 square mile area whose population is approximately 3.5 million. CP&L's service area includes the Coastal Plains Section of North Carolina, a section in western North Carolina, and one-fourth of eastern South Carolina. The North Carolina Utilities Commission regulates approximately 66% of CP&L's energy sales. The North and South Carolina Commissions govern retail electric rates and the Federal Energy Regulatory Commission governs wholesale electric rates.

Duke Power Company is an investor-owned electric utility engaged in the generation, transmission, distribution, and sale of electric energy in the central portion of North Carolina and the western portion of South Carolina. In 1989 the Company's service area covered approximately 20,000 square miles with an estimated population of about 4.5 million. Duke Power Company provides electricity to 1,192,691 North Carolina customers. The Company provides electricity to 1,585,846 total customers. Duke Power Company ranks seventh in the United States among investor-owned utilities in kilowatt-hour sales. The Company's three nuclear generating stations (7 units), eight coal-fired stations (30 units), twenty-six hydroelectric stations (93 units), and one pump storage facility (4 units) produced 75.5 billion

kilowatt-hours of electricity in 1989. The North Carolina Utilities Commission regulates approximately 58.9% of Duke's energy sales. Duke's Bad Creek Hydroelectric Station was running ahead of schedule at the end of 1989, with the completion of units 1 and 2 of this four unit, 1,065,000 kilowatt station scheduled to begin operations in 1992. Units 3 and 4 are expected to be completed by 1993. This station is located near the North Carolina-South Carolina line in the western part of the State. In 1989 Duke announced that a site in Lincoln County had been selected for a new combustion turbine facility to meet customer demand in the mid-to-late 1990's. The seven nuclear units operated by Duke Power ran at an average 63.7% capacity in 1989, providing approximately 63% of the electricity used by Duke's customers. The headquarters for Duke Power Company is in Charlotte, North Carolina.

Virginia Electric and Power Company (Vepco) is the principal subsidiary of Dominion Resources, Inc., a holding company formed in 1983. Vepco provides service to northeastern North Carolina, where it does business as North Carolina Power. Vepco's service territory includes the urban corridor stretching from the suburbs of Washington, D.C., through Richmond to the Hampton Roads and Norfolk area of Virginia. The company provides electricity to 89,991 North Carolina customers. Vepco provides electricity to more than 1.7 million total customers within a 30,000 square mile area. The North Carolina Utilities Commission regulates approximately 4% of Vepco's energy sales. Vepco generates electricity with two nuclear (4 units), six coal-fired (17 units), three oil-fired (4 units), and five small hydroelectric (21 units) plants; and with one pumped storage hydroelectric (6 units) plant owned jointly with another utility.

Nantahala Power and Light Company serves the far western portion of North Carolina and is the only major electric company operating solely within North Carolina. It serves approximately

47,000 customers in a five county area operating eleven hydroelectric stations. Nantahala was acquired by Duke Power Company on November 17, 1988, but continues to operate independently. However, in August 1989, Duke began a 26 mile transmission line linking the two systems together.

The four major electric companies provide service directly to retail consumers, and they are suppliers of electric energy on a wholesale basis to the 28 electric membership corporations (EMCs) operating in North Carolina. There are five EMCs with operations in North Carolina whose headquarters are in other states. The major companies also supply electric energy to the 72 municipalities operating electric distribution systems throughout the State. The North Carolina Utilities Commission does not regulate the retail rates and service of the EMCs or the municipalities operating in North Carolina.

There were three Commission regulated non major electric utilities also operating in North Carolina as of December 31, 1989: New River Light and Power Company, a subsidiary of Appalachian State University (ASU) located in Boone, N.C., which served 5,982 customers in 1989, with ASU being its largest single customer; Western Carolina University located in Jackson County, N.C.; and Shipyard Power & Light Company located near New Bern, N.C. Shipyard Power and Light Company received its franchise from the Commission on October 12, 1989. It purchases power from the City of New Bern and provides service to 144 vessel berths of the Ramada Inn Marina across the Trent River from New Bern.

B. CUSTOMER GROWTH--COMMENTS

In 1989 the four major electric utilities experienced a customer growth rate of 2.4% for their North Carolina operations. The net customer increase was 50,425 bringing the total average number of customers in 1989 to 2,134,356. New River Power and Light

Company experienced a .97% increase in their number of customers. Total customers increased from 5,829 to 5,982 during 1989. An average of 2,140,371 North Carolina customers were served by five of the regulated electric utilities during 1989. See Figure No. 4-5.

C. ANNUAL CUSTOMER USAGE

The annual customer usage of kilowatt-hours per residential customer in 1989 was 12,253 kWhs. This is a 1.0% decrease from 1988. This figure for 1989 is 35.5% higher than the national average of 9,045 per residential customer. According to Figure No. 4-6, North Carolina's per customer residential consumption exceeds the national average for the various years shown between 1984-1989.

The average monthly use of electricity by North Carolina residential customers of major electric companies is 1,021 kilowatt-hours. Residential customers constitute about 85.6% of the total electric customers in the State. There is a direct correlation between the greater residential usage in North Carolina and the average charge per kilowatt-hour. Generally the lower the cost per kWh the greater the usage.

D. COMPARISON OF AVERAGE RESIDENTIAL MONTHLY BILLS

In Figure No. 4-9 a typical residential electric bill as of January 1, 1990, from North Carolina is compared to nine selected states from across the country. These states include Alabama, California, Florida, Indiana, Maine, Michigan, Ohio, South Carolina, and Virginia. For 1990 North Carolina is the fifth lowest at 500 kWh levels, the seventh lowest at 750 kWh levels, and sixth lowest at 1,000 kWh levels.

In a comparison with the United States average, North Carolina monthly bills are lower for 500 kWh, and higher for 750 kWh and 1,000 kWh. The North

Carolina electric utilities have companywide rates for the respective residential, commercial, and industrial classes of customers. When company usage and load characteristics are the same, the residential customer's bill will not vary between the small and large communities.

E. CONSERVATION AND LOAD MANAGEMENT

In North Carolina the electric companies recommend many ways for customers to save on their electric bills. Some of these include adequate insulation and efficient use of big energy user appliances such as water heaters, ranges, refrigerators, and freezers. Also with time-of-use rates, customers can save substantially by using electricity during off-peak periods. Keeping the thermostat at 68 degrees or lower in the winter can save customers up to 20% on heating bills. Furthermore there are appliances available in energy efficient models that may cost more initially but save each year in operating costs. Saving energy has become increasingly important. Energy efficiency not only translates directly into lower bills but also helps to conserve diminishing natural resources.

In addition to energy conservation programs, the companies also offer numerous interruptible load programs to their customers designed to remove load from the Company's system during peak periods. Residential customers are paid credits for allowing their air conditioners and water heaters to be interrupted. Non residential customers are compensated for instituting a general reduction in their loads at peak times. These programs serve as a source of capacity for the companies which can prevent the need to operate or build costly peaking generation units.

See Chapter Two, Section B. for additional information on conservation and least-cost planning, a topic related to conservation.

F. GENERATING CAPABILITY--NUCLEAR POWER IMPACT AND COGENERATION

General: The total company-owned capability as of December 31, 1989, for the largest electric companies is shown in Figure No. 4-10. Figure No. 4-10 gives in detail the peak loads in winter 1988/1989 and summer 1989, total capability at the time of the peaks, and the reserve percentage of electricity available to each company at peak demand.

Nuclear Power: Nuclear energy provided 28.5% of Vepco's energy generated in 1989.

CP&L's nuclear plants produced 32.94% of their power supply generated in 1989. CP&L's four nuclear units operated at a combined capacity factor of more than 60% for the fifth year in a row.

Nuclear power continues to be an important source of energy for Duke Power Company. Duke now operates seven nuclear units which produced 63% of the total power generated in 1989.

Vepco's North Anna Unit 2 set a new record for continuous operation in February, 1989, when it passed its 372nd consecutive day in service. The capacity factor for both North Anna Units for 1989 was 64%. Vepco operated at a capacity factor of 48% for 1989, down from 71% in 1988, for the first time since 1980. This was due to extended outages at the Surry Nuclear Station.

Capacity factor is the percentage of power a unit actually generates compared to what it could produce if it were operated continuously at a maximum dependable capacity. Since nuclear units must be taken out of service for refueling and routine maintenance, their maximum achievable capacity factor over an extended period is inherently below 100%.

Cogeneration: In 1978 the Federal Public Utility Regulatory Policies Act (PURPA) challenged the Federal Energy Regulatory Commission and the State regulatory authorities to encourage the development of

cogeneration and small power production. Cogeneration facilities simultaneously produce two forms of useful energy such as electric power and steam. An example of manufacturing cogeneration is a furniture manufacturing plant which not only uses process steam in its manufacturing activities but also uses the same steam in order to generate electricity. Cogeneration facilities use significantly less fuel to produce electricity and steam (or other forms of energy) than would be needed to produce the two separately. Thus by using fuels more efficiently, cogeneration facilities can make a significant contribution to the nation's effort to conserve its energy resources.

At the present, the three largest power companies in North Carolina are working with customers (small power producers) who generate some of their own needs for electrical power, thus lowering peak loads. Small power production facilities may use biomass, waste, and renewable resources including wind, solar, and water to produce electric power. The regulated electric utilities are required to purchase the electricity generated by these qualifying small power production facilities. These energy sources may eventually have the potential of producing cheaper electricity. For example, the sun's rays or flowing water may have little or no fuel costs, as contrasted with the generally increasing cost of fossil fuels or nuclear fuel typically used by regulated utilities in their generating plants.

The Commission's Order dated June 3, 1980, enumerated as part of its responsibilities the determination of the rates, charges, and condition for the sale of electricity and qualifying cogenerators or small power producers in North Carolina. In addition the Commission will determine the relative responsibilities of utilities and qualifying facilities with respect to system protection, service reliability, and other matters affecting such service. Every two years the Commission reviews and updates the orders. In

prior years the Commission has determined separate avoided cost rates to be paid by CP&L, Duke, N.C. Power (Vepco), Nantahala and Western Carolina University to their respective qualifying facilities which are interconnected with them. Other related matters involving terms and conditions of service, contractual arrangements, and interconnection charges have also been reviewed and approved.

G. SOURCE AND DISPOSITION OF THE ELECTRIC OPERATING REVENUE DOLLAR

Both the source and disposition of the 1989 electric operating revenue dollar are shown by the pie charts on Figure No. 4-11. In the past, fuel costs have been the largest component of the operation and maintenance expenses, and they have consumed the largest portion of the operating revenue dollar. However, in 1989 fuel costs, (excluding purchased power) required only 19.4 cents while the remaining operation and maintenance costs required 35.4 cents. Shown in Figure No. 4-12 is comparative data reflecting the components percentage-wise for both the source and disposition of the electric operating revenue dollar for 1989. The chart in Figure No. 4-13 shows the fuel costs as a percent of total operational and maintenance expenses for the period 1984-1989.

H. ENERGY SALES

Energy sales for the past decade have been rising. The major companies' total energy sales in North Carolina increased in 1989 over 1990 by 2.6% with over 82 billion kilowatt-hours sold. Figure No. 4-14 shows energy sales by class of customer for the years 1984, 1985, 1986, 1987, 1988, and 1989.

I. STATISTICAL SUMMARY DATA

As shown in Figure No. 4-15, the total operating revenues for North Carolina operations for the major electric utilities increased 4.0% for

1989 compared to 1988.

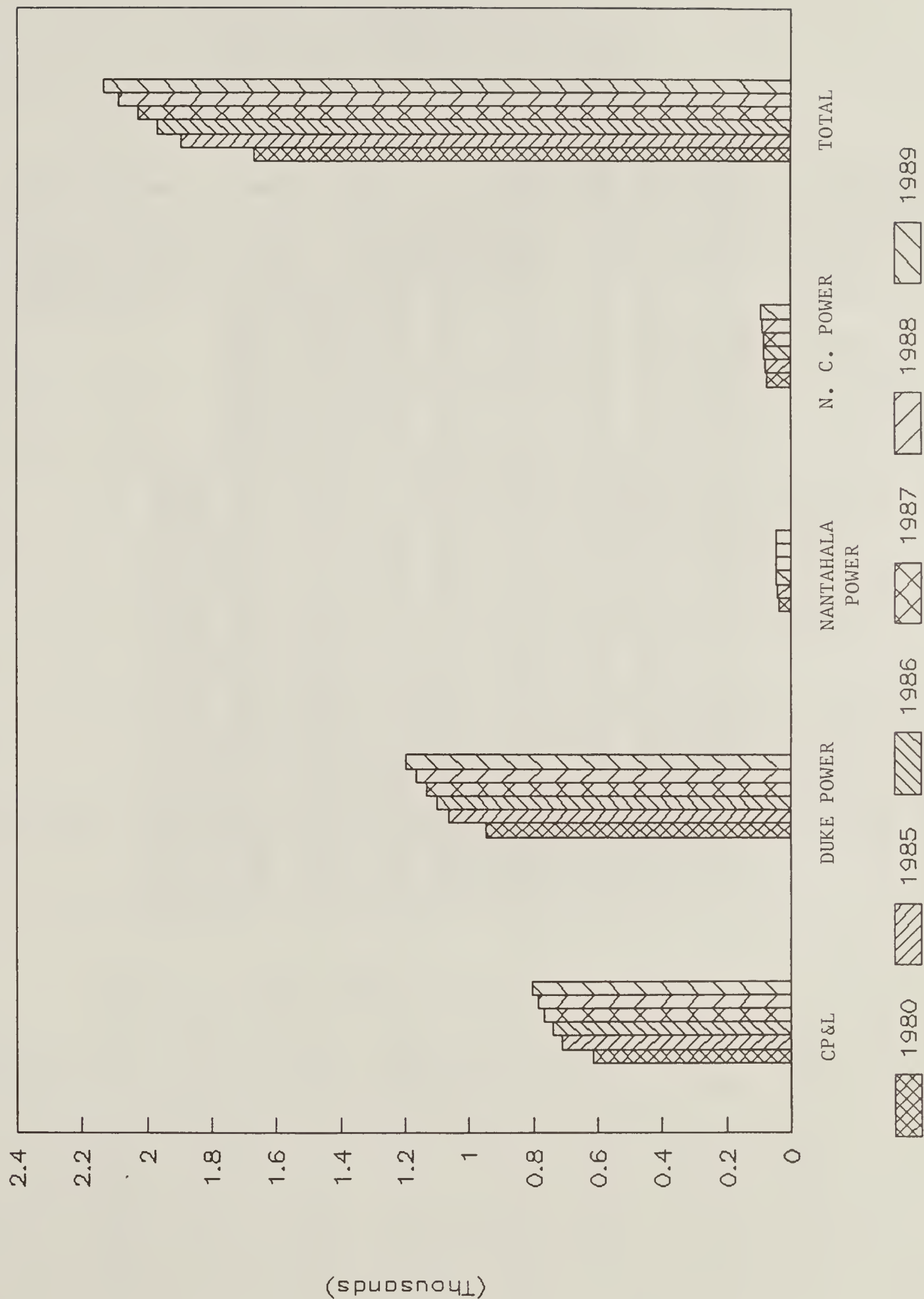
North Carolina operating expenses, including taxes for the major companies, increased 1.4% in 1989 over 1988, and the net income for 1989 increased 29.2% from the previous year.

Total company net income available for common shareholders of the major companies was \$1,245,340,000 for 1989 compared to \$1,071,383,000 for 1988. The number of common shares outstanding at year-end increased from 362,275 million in 1988 to 373,746 million in 1989. The earnings per share (year-end outstanding) at December 31, 1989, were \$3.33 up 12.5% from 1988.

Total salaries and wages paid North Carolina employees by major companies for 1989 was \$776,458,000, an increase of .1% over 1988. In 1989 the number of employees residing in North Carolina was 20,939 compared with 22,475 in 1988, a 6.8% decrease.

FIGURE NO. 4-5

MAJOR ELECTRIC COMPANIES--CUSTOMER GROWTH
(North Carolina Data Only)



SOURCE: 1989 FERC FORM NO.-1 - ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSES, AND OTHERS

FIGURE NO. 4-6

Average Annual Residential Customers
kWh Usage
1984, 1985, 1986, 1987, 1988, 1989
(Privately Owned Major Utilities Only)

UTILITIES	1984	1985	1986	1987	1988	1989
N.C. Statewide Average	11,834	11,364	12,051	12,472	12,375	12,253
N.C. (Charlotte & Raleigh)(a)	12,213	11,992	12,912	13,524	13,442	12,471
S.C. (Columbia & Charleston)(b)	12,224	12,074	13,708	13,178	13,166	11,947
U. S. Average	8,557	8,540	8,608	8,795	8,921	9,045
N.C. (Charlotte & Raleigh) Higher than S.C. (Columbia & Charleston)	-0.09%	-0.7%	-5.8%	2.6%	2.1%	4.4%
Higher than U.S. Average	42.7%	40.4%	50.0%	53.8%	50.7%	37.9%

(a) Charlotte--Served by Duke Power Co.
Raleigh--Served by CP&L
Average of the two used

(b) Columbia & Charleston
Served by S.C. Electric & Gas Co.
Average of the two used

SOURCES:

N.C. Statewide Average--FERC Form No. 1: Annual Report of
Major Electric Utilities

N.C. (Charlotte & Raleigh)--FERC Form No. 1: Annual Report of
Major Electric Utilities

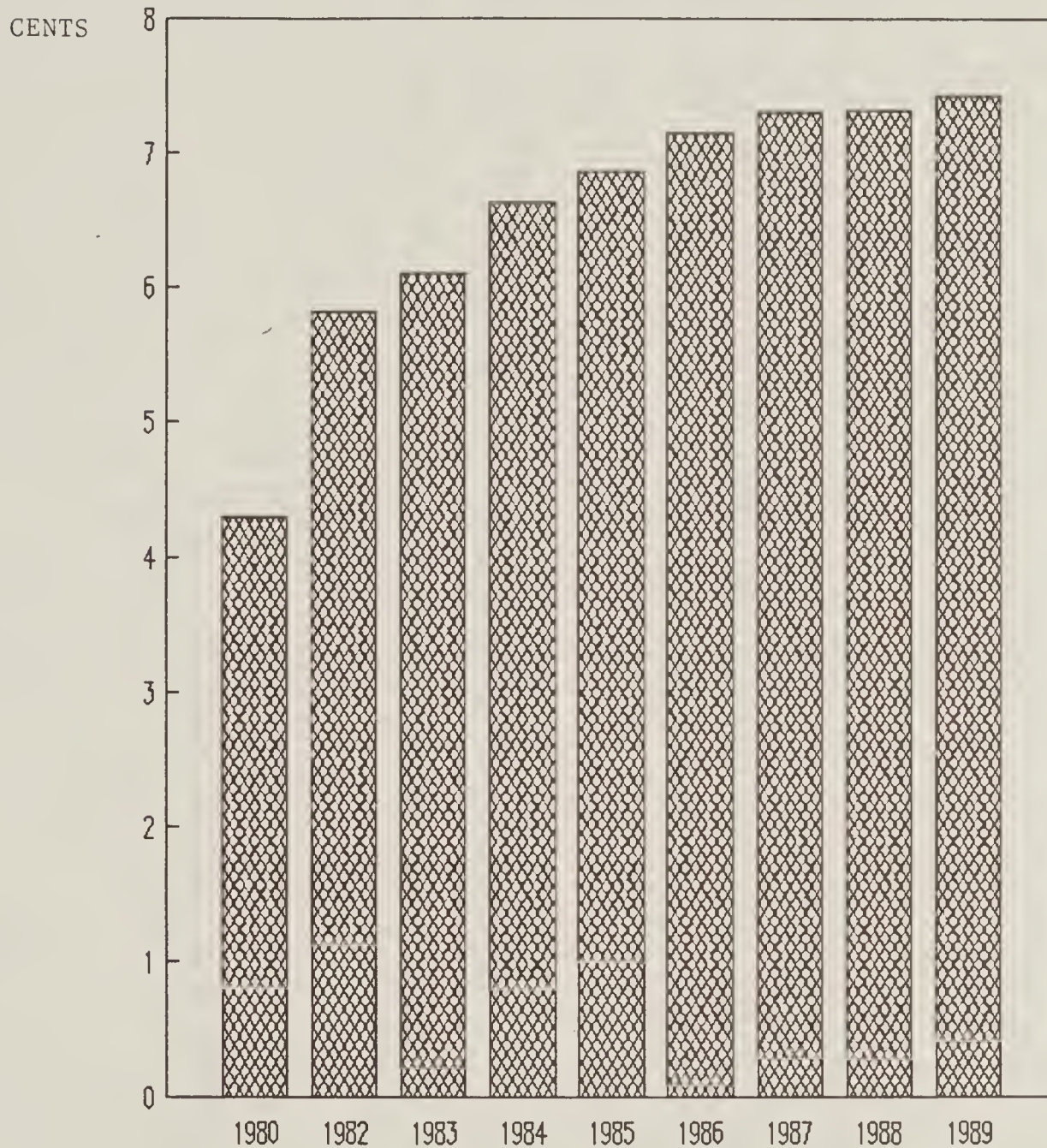
S.C. (Columbia & Charleston)--S.C. Electric & Gas Co.

U.S. Average--Financial Statistics of Selected Electric Utilities (1984-1987)
Electric Power Quarterly (1988-1989)

FIGURE NO. 4-7

RESIDENTIAL ELECTRIC SERVICE--MAJOR ELECTRIC COMPANIES

Average Annual Usage Per Customer and Average Price of 1 kWh



North Carolina Data Only

Average kWh Usage Per Customer and Cents Per kWh

1980	1982	1983	1984	1985	1986	1987	1988	1989
12,272	11,652	11,873	11,834	11,364	12,051	12,472	12,375	12,253
4.29	5.82	6.11	6.64	6.86	7.15	7.31	7.32	7.43

Average Price of One kWh in Cents by Company

	1982	1983	1984	1985	1986	1987	1988	1989
CP&L	6.28	6.48	7.04	7.21	7.25	7.17	7.49	7.91
Duke	5.49	5.83	6.31	6.57	7.11	7.38	7.23	7.15
Nantahala	4.98	4.47	5.52	6.14	6.49	6.73	7.11	6.74
Vepco	6.74	7.61	8.35	8.01	7.87	7.74	7.10	7.22

FIGURE NO. 4-9

COMPARATIVE TYPICAL RESIDENTIAL ELECTRIC BILLS
NINE SELECTED STATES, NORTH CAROLINA, AND U.S. AVERAGE
STATE AVERAGE MONTHLY BILLS-RESIDENTIAL SERVICE
(Cities of 2,500 Population and Over) Data as of January 1, of each year

STATE:	500 kWh Assumed Consumption							750 kWh Assumed Consumption							1000 kWh Assumed Consumption						
	1980	1985	1986	1987	1988	1989	1990	1980	1985	1986	1987	1988	1989	1990	1980	1985	1986	1987	1988	1989	1990
NORTH CAROLINA	\$24.05	\$37.02	\$39.49	\$40.72	\$39.92	\$38.73	\$39.81	\$32.63	\$52.64	\$56.15	\$57.95	\$56.69	\$54.62	\$56.57	\$41.83	\$67.99	\$72.53	\$74.90	\$73.52	\$70.35	\$73.16
ALABAMA	23.63	35.98	36.23	36.46	35.19	40.25	39.24	33.99	50.94	51.26	51.87	49.79	56.90	55.41	44.34	63.65	64.04	64.93	62.19	70.53	68.57
CALIFORNIA	22.79	40.09	40.77	40.92	43.12	39.40	42.13	34.24	59.89	60.90	61.56	65.27	62.54	66.89	47.65	84.64	86.22	85.85	82.14	88.19	93.97
FLORIDA	25.53	42.55	45.02	39.69	41.53	40.20	39.56	36.68	60.97	64.45	56.61	59.41	57.14	56.19	48.37	80.77	85.45	74.88	78.68	74.79	73.52
INDIANA	26.68	39.79	41.13	43.52	43.59	42.43	41.31	35.22	54.12	56.12	58.84	58.49	56.33	54.77	44.83	68.68	71.35	74.21	73.41	70.23	68.22
MAINE	26.05	38.74	40.86	38.87	39.17	42.64	47.65	35.98	58.10	61.29	61.02	61.45	65.74	73.46	45.91	77.47	81.70	83.19	83.73	88.85	99.25
MICHIGAN	25.65	35.24	40.85	39.76	37.47	33.79	34.40	33.74	48.83	53.58	51.93	49.32	48.40	49.28	45.85	70.84	74.76	72.56	70.03	62.41	63.55
OHIO	28.26	41.68	41.80	43.63	43.06	40.74	42.00	39.84	59.85	59.92	61.80	61.09	58.28	61.03	51.11	75.13	75.11	79.15	76.23	72.08	75.83
SOUTH CAROLINA	25.40	37.65	39.93	40.20	39.33	39.92	41.80	34.77	52.09	55.24	55.45	54.30	56.77	59.58	44.38	66.66	70.72	71.01	69.88	72.77	76.06
VIRGINIA	33.10	37.44	38.77	38.05	38.39	36.87	36.40	46.31	53.34	55.02	54.00	54.55	51.98	51.57	58.92	66.58	68.31	67.27	68.03	66.26	65.30
UNITED STATES	27.50	41.86	42.54	40.88	41.21	38.61	39.92	36.93	57.86	58.79	56.78	57.39	54.55	56.50	48.76	76.37	77.50	74.57	74.15	69.96	72.43
NORTH CAROLINA RANK (Low to High) (10 States Listed)	3rd lowest	3rd lowest	3rd lowest	7th lowest	6th lowest	3rd lowest	5th lowest	1st lowest	4th lowest	6th lowest	6th lowest	5th lowest	3rd lowest	7th lowest	1st lowest	4th lowest	5th lowest	7th lowest	6th lowest	4th lowest	6th lowest
NORTH CAROLINA RANK (Low to High) (50 States & DC)	21st lowest	26th lowest	24th lowest	30th lowest	31st lowest	22nd lowest	29th lowest	18th lowest	27th lowest	32nd lowest	33rd lowest	31st lowest	25th lowest	30th lowest	17th lowest	28th lowest	31st lowest	34th lowest	32nd lowest	28th lowest	31st lowest
N. C. Average Lower than U.S. Average (Percent)	12.55%	11.56%	7.17%	0.39%	3.13%	-0.31%	0.28%	11.64%	9.02%	4.49%	-2.06%	1.22%	-0.13%	-0.12%	14.21%	10.97%	6.41%	-0.44%	0.85%	-0.56%	-1.01%

Source: 1980-1988 "Typical Electric Bills" for applicable years--U.S. Department of Energy
1989-1990 "Typical Electric Bills" for applicable years--Edison Electric Institute

FIGURE NO. 4-10
MAJOR ELECTRIC COMPANIES
GENERATION & CAPABILITY DATA
Net Megawatts--Year End

Company Capability 1989 (1)

Company	Coal	Nuclear	Pump Storage & Hydro	Other Fuel And Resources	Total Generating Capability	Firm Purchases	Total
CP&L	5,313	3,105	218	1,018	9,654	570	10,224
Duke Power	6,735	7,054	1,452	599	15,840	286	16,126
Nantahala Power	0	0	99	0	99	0	99
N.C. Power*	4,427	3,392	1,592	2,671	12,082	1,756	13,838
Total	16,475	13,551	3,361	4,288	37,675	2,612	40,287

Total Available Capability--Net MW (at time of peak) (2)

Company	1989 Summer	1988/1989 Winter	1988 Summer	1987/1988 Winter	1987 Summer	1986/1987 Winter	1986 Summer	1985/1986 Winter
CP&L	9,584	9,952	9,529	9,905	9,533	9,909	8,552	8,928
Duke Power	16,126	16,126	15,774	15,774	15,984	15,984	15,372	14,190
Nantahala Power	195	195	195	195	195	195	195	195
N.C. Power*	13,841	13,838	13,468	12,836	12,616	12,315	12,489	11,071
Total	39,746	40,111	38,966	38,710	38,328	38,403	36,608	34,384

Peak Load (MW) (3)

Company	1989 Summer	1988/1989 Winter	1988 Summer	1987/1988 Winter	1987 Summer	1986/1987 Winter	1986 Summer	1985/1986 Winter
CP&L	8,327	7,814	8,521	7,914	7,985	7,163	7,485	7,763
Duke Power	13,611	13,126	13,618	12,728	12,691	11,451	12,471	12,586
Nantahala Power	130	213	128	184	122	176	157	191
N.C. Power*	11,945	12,697	11,756	10,911	11,529	10,640	10,358	9,836

Reserve % of Load (4)

Company	1989 Summer	1989 Winter	1988 Summer	1988 Winter	1987 Summer	1987 Winter	1986 Summer	1986 Winter
CP&L	15.1	27.4	11.8	25.2	19.4	38.3	14.3	15.0
Duke Power	18.5	22.9	15.8	23.9	25.9	39.6	23.3	12.7
Nantahala Power	----	----	----	----	----	----	----	----
N.C. Power*	15.9	9.0	14.6	17.6	9.4	15.7	20.6	12.6

* Reflects Total Company

(1) Source: Southeastern Electric Reliability Council

Data includes portion owned by municipal power agencies.

(2) Source: Corporate and Statistical Profile of Major Electric Utilities.

(3) Source: FERC Form No. 1: Annual Report of Major Electric Utilities and Corporate and Statistical Profile.

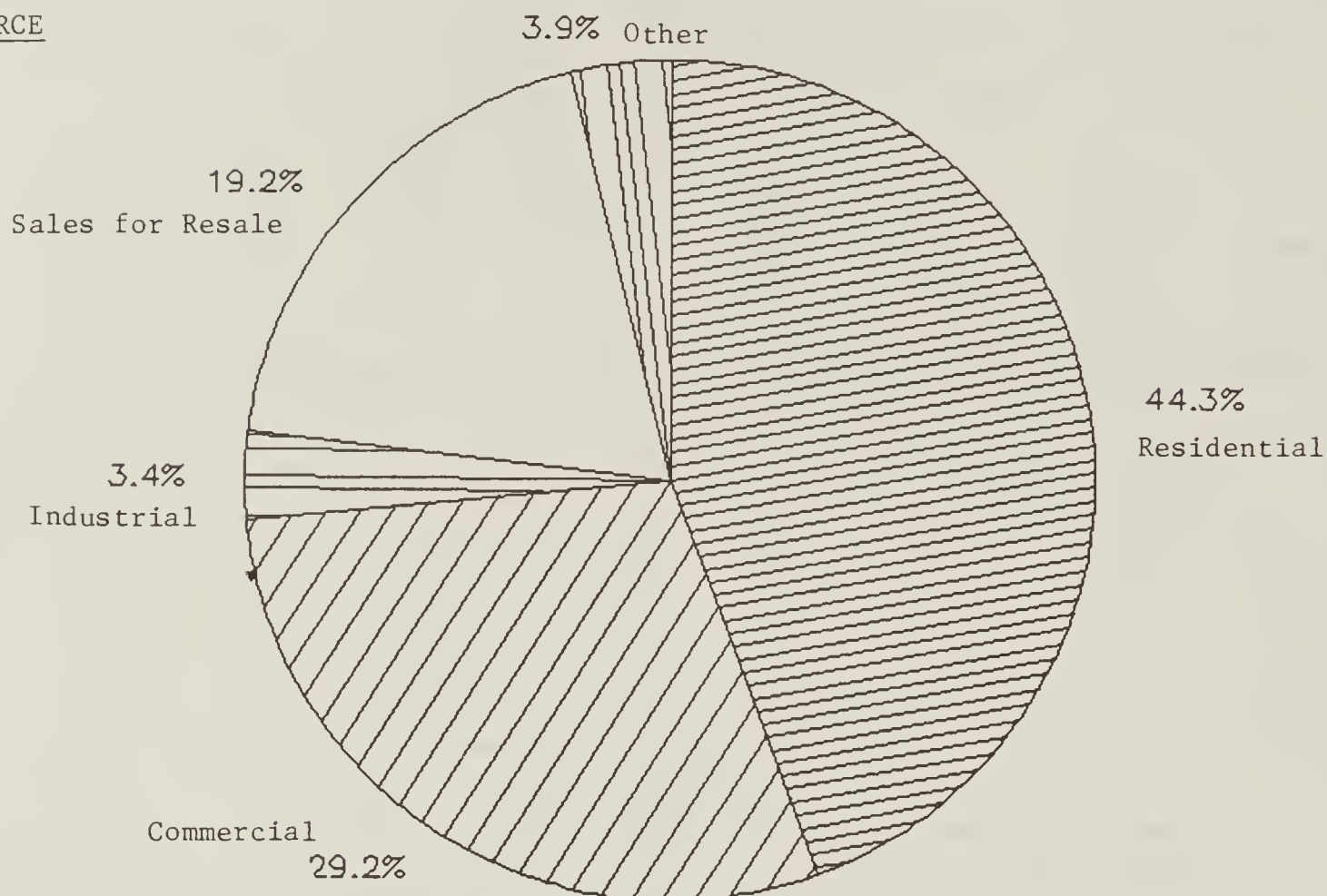
(4) No reserve calculated for Nantahala. This company meets its demand load by buying the additional energy required above its Hydro generating capability from TVA.

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR

Electric Companies (North Carolina Operations Only)

1989

SOURCE



DISPOSITION

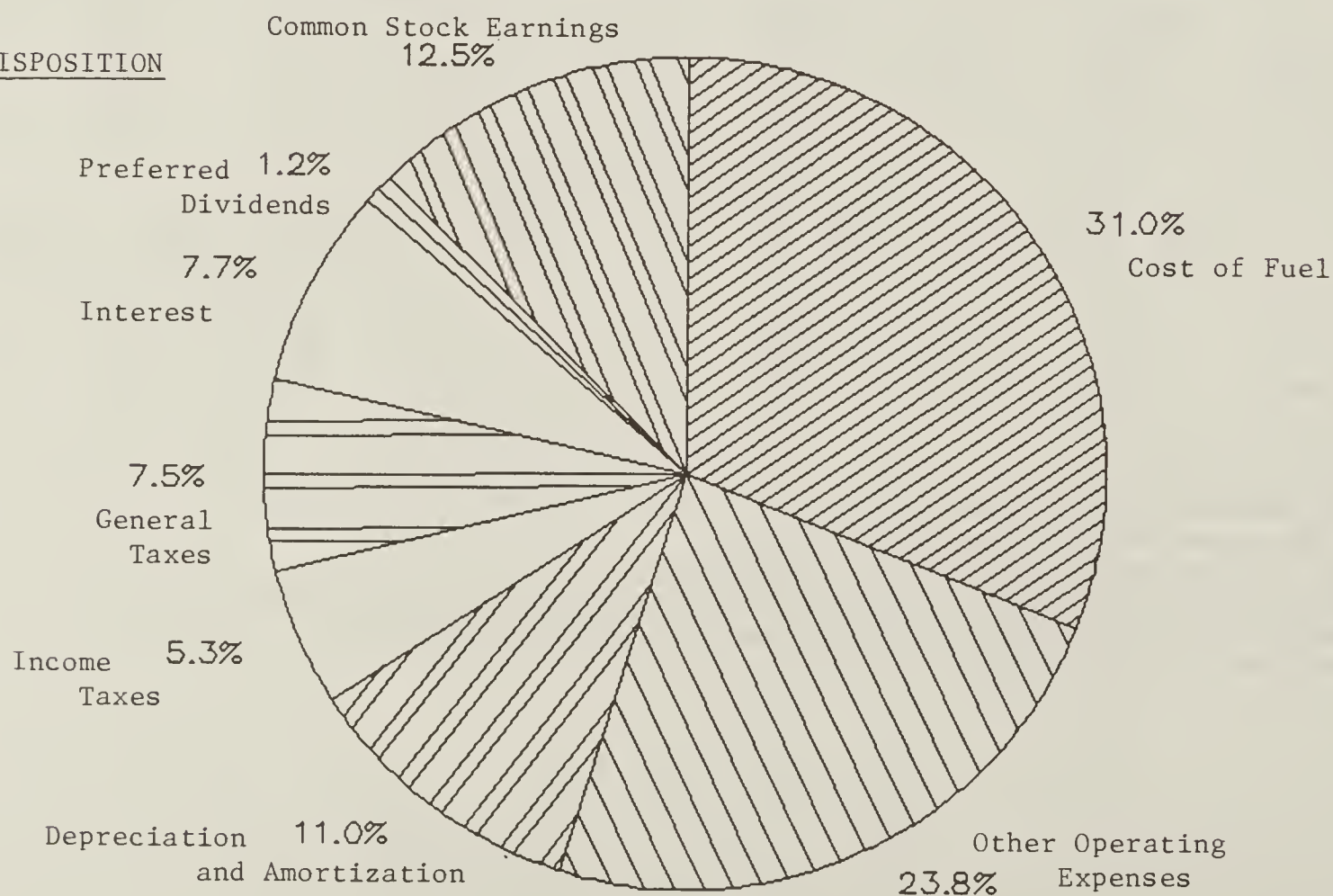


FIGURE NO. 4-12

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR
1989
MAJOR ELECTRIC COMPANIES
North Carolina Operations Only
(Dollars in 000s)

SOURCE:	REVENUE	% OF TOTAL
-----	-----	-----
Residential	\$1,663,170	34.2%
Commercial	1,099,200	22.6%
Industrial	1,238,721	25.4%
Sales for Resale	723,347	14.9%
Other	143,607	3.9%
-----	-----	-----
Total	\$4,868,045	100.0%
-----	-----	-----
DISPOSITION:		

Fuel Costs	\$942,811	19.4%
Purchased Power (Fuel and Nonfuel)	566,593	11.6%
Other Operating & Maintenance Costs	1,156,403	23.8%
Depreciation	536,267	11.0%
General Taxes	260,029	5.3%
Income Taxes	363,651	7.5%
Interest	372,920	7.7%
Preferred Dividends	59,338	1.2%
Common Stock Earnings	610,033	12.5%
-----	-----	-----
Total	\$4,868,045	100.0%
-----	-----	-----

FIGURE NO. 4-13

FUEL COSTS (1)
(Dollars in 000s)

ITEM	1984	1985	1986	1987	1988	1989
Fuel Costs	\$974,549	\$981,583	\$966,638	\$870,920	\$890,621	\$942,811
Purchased Power Costs (Fuel and Nonfuel)	28,126	184,462	431,840	613,645	657,772	566,593
Other Operating & Maintenance Expenses	806,472	929,715	1,074,016	1,144,797	1,163,872	1,156,403
Total Operating & Maintenance Expenses	\$1,809,147	\$2,095,760	\$2,472,494	\$2,629,362	\$2,712,265	\$2,665,807
Fuel Costs as a % of Total Operating & Maintenance Expenses (2)	53.9%	46.8%	39.1%	33.1%	32.8%	35.4%

(1) Source: FERC Form No. 1: Annual Report of Major Electric Utilities

(2) Fuel Costs percentage does not include Purchased Power

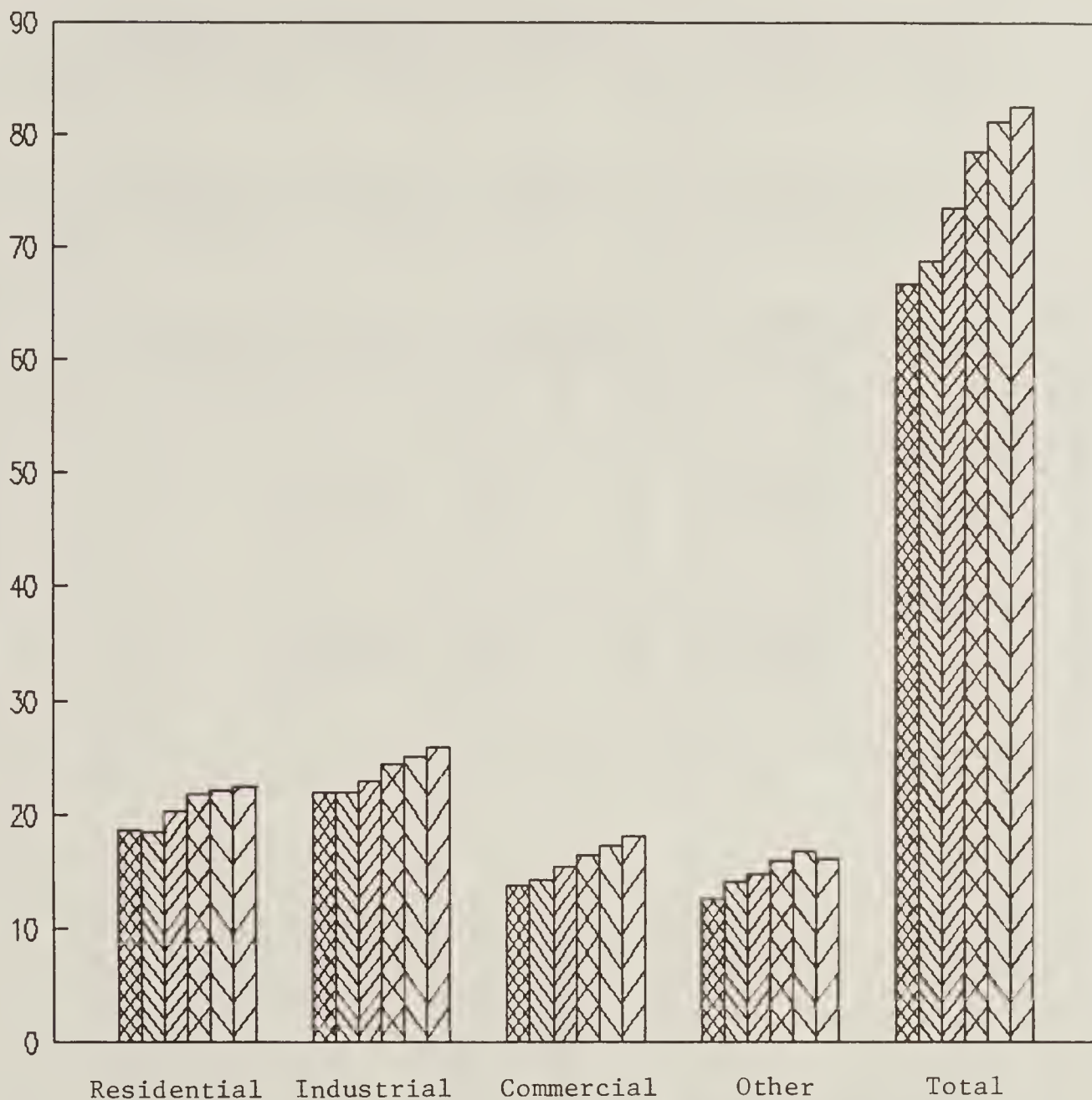
FIGURE NO. 4-14

ENERGY SALES BY CLASSES
MAJOR ELECTRIC COMPANIES

(North Carolina Data Only--Kilowatt-Hours in Billions)

For the Years 1984, 1985, 1986, 1987, 1988, 1989

kWhs in
Billions



 1984
  1985
  1986
  1987
  1988
  1989

FIGURE NO. 4-15 A
MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA
Income Statement, Balance Sheet, and Other Statistical Items
For the Years 1975, 1980, 1985, 1986, 1987, 1988, and 1989
(Dollars in 000s)

Item	1975	1980	1985	1986	1987	1988	1989	% Change 1989-1988
No. of Companies Regulated and Included in this Data	4	4	4	4	4	4	4	
INCOME STATEMENT (NC ONLY):								
Income Items:								
Residential Sales	\$425,940	\$754,138	\$1,267,504	\$1,458,189	\$1,583,213	\$1,617,703	\$1,663,170	2.8
Commercial Sales	255,494	441,909	843,528	950,873	1,010,591	1,044,332	1,099,200	5.3
Industrial Sales	343,589	583,685	1,038,189	1,126,941	1,170,449	1,184,254	1,238,721	4.6
Sales for Resale	216,148	432,751	574,764	637,075	685,901	740,949	723,347	(2.4)
All Other Operating Revenue	26,465	53,387	134,434	133,043	109,104	95,273	143,607	50.7
Total Operating Revenue	\$1,267,636	\$2,265,870	\$3,858,419	\$4,306,121	\$4,559,258	\$4,682,511	\$4,868,045	4.0
Expense Items:								
Power Production Expense	\$688,699	\$1,374,502	\$1,641,819	\$1,959,158	\$2,062,748	\$2,098,888	\$2,060,952	(1.8)
Transmission Expense			35,058	39,556	42,351	42,411	41,290	(2.6)
Distribution Expense			121,898	137,042	159,649	164,371	153,874	(6.4)
Customer Accounts Expense			59,490	67,351	74,690	81,906	74,160	(9.5)
Customer Service & Informational Expense			21,724	25,412	27,962	28,188	27,187	(3.6)
Sales Expense			851	1,188	1,378	1,568	1,648	5.1
Administrative & General Expense	118,286	181,696	214,920	242,787	260,584	294,933	306,696	4.0
Depreciation Expense			386,391	363,921	366,320	494,780	536,267	8.4
Total Expenses Before Taxes	\$806,985	\$1,556,198	\$2,482,151	\$2,836,415	\$2,995,682	\$3,207,045	\$3,202,074	(0.2)
State Taxes:								
Income Tax	\$6,281	\$15,179	\$51,130	\$45,023	\$32,890	\$34,320	\$58,535	70.6
Gross Receipts Tax	75,007	135,011	113,854	119,412	128,361	131,318	137,657	4.8
Property Tax	24,629	35,740	42,695	53,225	57,310	65,357	71,604	9.6
Other Operating Taxes	114,083	169,536	12,457	2,029	1,984	1,823	2,773	52.1
Total State Taxes	\$220,000	\$355,466	\$220,136	\$219,689	\$220,545	\$232,818	\$270,569	16.2
Federal Taxes (A):								
Income Tax			\$218,332	\$259,599	\$164,754	\$138,318	\$273,958	98.1
Provision for Deferred Income Tax			283,810	286,281	451,824	419,164	285,966	(31.8)
Income Tax Deferred in Prior Years			(203,846)	(120,958)	(191,248)	(258,820)	(240,814)	(7.0)
Investment Tax Credit			128,802	42,343	(5,405)	(17,550)	(13,994)	(20.3)
Payroll, Unemployment, & Other Federal Taxes			23,341	40,319	51,080	51,724	47,993	(7.2)
Gain from Disposal of Utility Plant			(6)	(169)	(39)	(6)	2	(133.3)
Total Federal Taxes			\$450,433	\$507,415	\$470,966	\$332,830	\$353,111	6.1
Total State & Federal Taxes			\$670,569	\$727,104	\$691,511	\$565,648	\$623,680	10.3

(A) For the years prior to 1980 there was no allocation of these items to the North Carolina operations.
N/C = Not Comparable

FIGURE NO. 4-15B
MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA
Income Statement, Balance Sheet, and Other Statistical Items
For the Years 1975, 1980, 1985, 1986, 1987, 1988, and 1989
(Dollars in 000s)

Item	1975	1980	1985	1986	1987	1988	1989	% Change 1989-1988
Total Operating Expenses	\$1,026,985	\$1,911,664	\$3,152,720	\$3,563,519	\$3,687,193	\$3,772,693	\$3,825,754	1.4
Net Operating Income	\$240,651	\$354,206	\$705,699	\$742,602	\$872,065	\$909,818	\$1,042,291	14.6
Other Income & Expenses (A):								
Other Income			\$141,261	\$108,996	\$94,615	\$106,934	\$91,190	(14.7)
Allowance for Funds Used During Construction			125,680	148,014	67,892	36,684	44,445	21.2
Deductions From Income			(7,603)	28,165	20,525	223,083	42,297	(81.0)
Taxes on Other Income			(9,685)	(1,072)	(20,961)	(70,351)	(6,643)	(90.6)
Net Other Income & Expense			\$249,653	\$229,917	\$162,943	(\$9,114)	\$99,981	(1,197.0)
Fixed Charges (A):								
Interest on Funded Debt			\$388,219	\$373,983	\$365,816	\$366,089	\$364,449	(0.4)
Other Fixed Charges			15,006	16,852	25,415	23,215	23,940	3.1
AFUDC			(67,632)	(76,369)	(38,456)	(1,489)	(3,593)	141.3
Total Fixed Charges			\$335,593	\$314,466	\$352,775	\$387,815	\$384,796	(0.8)
Extraordinary Income (A)			0	0	0	73,215	0	(100.0)
Net Income			\$619,759	\$658,053	\$682,233	\$586,104	\$757,476	29.2
BALANCE SHEET (A):								
Assets:								
Utility Plant			\$11,882,039	\$12,927,876	\$13,766,242	\$14,482,241	\$15,289,255	5.6
Depreciation Reserve			2,768,960	3,007,388	3,381,266	3,767,663	4,156,923	10.3
Net Plant			\$9,113,079	\$9,920,488	\$10,384,976	\$10,714,578	\$11,132,332	3.9
Nonutility Property			17,680	18,193	16,394	20,733	28,311	36.6
Other Investments			366,035	363,425	368,124	217,390	239,674	10.3
Cash			15,828	4,858	17,871	19,256	13,596	(29.4)
Temporary Cash Investments			141,710	37,865	13,429	30,083	2	(100.0)
Customer Accounts Receivable			222,653	256,675	267,334	295,028	480,433	62.8
Plant Material & Operating Supplies			111,134	133,863	143,326	153,563	198,152	29.0
Prepayments			22,202	24,202	23,225	23,384	23,354	(0.1)
Other Current & Accrued Assets			270,404	186,315	200,450	339,556	517,695	52.5
Unamortized Debt Expense			8,451	8,451	9,513	9,619	9,576	(0.4)
Miscellaneous Deferred Debits			67,739	139,067	309,298	391,740	446,705	14.0
Accumulated Deferred Income Taxes			146,584	116,536	161,557	194,833	255,076	30.9
Other Deferred Debits			698,764	651,234	598,939	530,181	472,844	(10.8)
Total Assets			\$11,202,263	\$11,861,172	\$12,514,436	\$12,939,944	\$13,817,750	6.8

(A) For the years prior to 1980 there was no allocation of these items to the North Carolina operations.
N/C = Not Comparable

FIGURE NO. 4-15C
MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA
Income Statement, Balance Sheet, and Other Statistical Items
For the Years 1975, 1980, 1985, 1986, 1987, 1988, and 1989
(Dollars in 000s)

Item	1975	1980	1985	1986	1987	1988	1989	% Change 1989-1988
Liabilities & Stockholder's Equity:								
Liabilities:								
Accounts Payable			\$233,977	\$208,100	\$234,929	\$304,032	\$376,223	23.7
Notes Payable			4,267	181,282	219,468	216,643	247,996	14.5
Total Long-Term Debt			4,245,665	4,299,805	4,309,950	4,346,538	4,380,523	0.8
Taxes Accrued			92,243	143,474	78,162	62,002	94,964	53.2
Miscellaneous Current & Accrued Liabilities			55,862	41,541	57,623	70,395	73,363	4.2
Other Current & Accrued Liabilities			219,442	203,982	210,547	304,957	142,310	(53.3)
Accumulated Deferred Investment Tax Credit			565,815	605,884	603,119	587,578	572,762	(2.5)
Accumulated Deferred Income Tax			1,445,672	1,577,239	1,870,809	1,988,455	2,138,061	7.5
Other Deferred Credits (A)			(576,297)	(541,976)	(378,345)	(349,877)	(93,432)	(73.3)
Operating Reserves			0	0	0	0	0	0.0
Total Liabilities			\$6,286,646	\$6,719,331	\$7,206,262	\$7,530,723	\$7,932,770	5.3
Stockholder's Equity (A):								
Preferred Stock			\$979,858	\$902,006	\$862,400	\$859,468	832,577	(3.1)
Common Stock			2,633,479	2,748,996	2,760,780	2,776,768	3,030,700	9.1
Other Paid in Capital			3,086	792	900	772	794	2.8
Less Discount on Capital Stock			(605)	0	(424)	(427)	(641)	50.1
Retained Earnings			1,237,825	1,403,003	1,590,723	1,664,209	1,895,950	13.9
Other			61,974	87,044	93,795	108,431	125,600	15.8
Total Stockholder's Equity			\$4,915,617	\$5,141,841	\$5,308,174	\$5,409,221	\$5,884,980	8.8
Total Liabilities & Stockholder's Equity			\$11,202,263	\$11,861,172	\$12,514,436	\$12,939,944	\$13,817,750	6.8
STATISTICAL INFORMATION (N.C. ONLY):								
Systems Sales to Ultimate Consumer (kWh in 000s)	40,916,099	50,495,469	55,893,000	58,784,000	63,784,332	65,050,654	67,739,433	4.1
System Sales for Resale (kWh in 000s)	11,559,681	14,907,807	12,992,000	14,811,000	14,754,345	15,370,950	14,778,687	(3.9)
Total Sales to Ultimate Customers & For Resale (kWh in 000s)	52,475,780	65,403,276	68,885,000	73,595,000	78,538,677	80,421,604	82,518,120	2.6
Total Customers--Yearly Average Average Numbers kWhs Used per Residential Customer	1,454,445	1,667,661	1,893,012	1,963,750	2,025,286	2,083,964	2,134,389	2.4
Average revenue per kWh--Residential customer (cents per kWh)	11,002	12,272	11,364	12,051	12,472	12,375	12,253	(1.0)
Number of Employees Residing in N. C. Wages & Salaries Paid N. C. Employees	3.09 14,022 \$177,550	4.29 18,534 \$353,390	6.86 21,798 \$647,158	7.15 23,075 \$705,671	7.31 22,575 \$753,196	7.32 22,475 \$775,522	7.43 20,939 \$776,458	1.5 (6.8) 0.1

(A) For the years prior to 1980 there was no allocation of these items to the North Carolina operations.

FIGURE NO. 4-15D
MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA
Income Statement, Balance Sheet, and Other Statistical Items
For the Years 1975, 1980, 1985, 1986, 1987, 1988, and 1989
(Dollars in 000s)

Item	1975	1980	1985	1986	1987	1988	1989	% Change 1989-1988
SYSTEMWIDE DATA:								
Operating Revenues	\$2,568,719	\$4,825,864	\$7,588,371	\$8,449,528	\$8,915,939	\$9,053,141	\$9,628,875	6.4
Operating Expenses	2,032,596	3,987,765	6,126,226	6,825,953	7,093,055	7,181,739	7,575,217	5.5
Net Operating Income	\$536,123	\$838,099	\$1,462,145	\$1,623,575	\$1,822,884	\$1,871,402	\$2,053,658	9.7
Net Other Income (Expense)	150,636	123,030	(322,172)	(372,011)	(520,608)	(659,338)	(664,460)	0.8
Net Income	\$385,487	\$715,069	\$1,139,973	\$1,251,564	\$1,302,276	\$1,212,064	\$1,389,198	14.6
Preferred Dividends	95,798	150,315	161,494	148,882	137,712	140,681	143,858	2.3
Net Income for Common Shareholders	\$298,689	\$564,754	\$978,479	\$1,102,682	\$1,164,564	\$1,071,383	\$1,245,340	16.2
STATISTICAL INFORMATION (SYSTEMWIDE):								
Long-Term Debt	\$4,819,049	\$7,403,022	\$8,741,147	\$8,944,691	\$9,093,216	\$9,130,846	\$9,475,334	3.8
Total Capitalization	\$9,094,143	\$14,333,818	\$18,265,890	\$18,726,491	\$19,436,182	\$19,791,165	\$20,955,140	5.9
Long-Term Debt % of Total Capitalization	52.9	51.6	47.9	47.8	46.8	46.1	45.2	(2.0)
Shares of Common Stock Outstanding-- Year End (000s)	153,728	237,495	310,514	318,292	360,617	362,275	373,746	3.2
Average Earnings Per Share--Shares at Year End (After Preferred Stock Dividends)	\$1.88	\$2.38	\$3.15	\$3.46	\$3.23	\$2.96	\$3.33	12.5

(A) For the years prior to 1980 there was no allocation of these items to the North Carolina operations.



V. The Natural Gas Industry



- B North Carolina Natural Gas Corp.
- C North Carolina Gas Service, Division of Pennsylvania & Southern Gas Co.
- D Piedmont Natural Gas Company, Inc.
- E Public Service Company of N.C., Inc.

Municipal Gas Systems

- H — GREENVILLE, CITY OF
- J — KINGS MOUNTAIN, CITY OF
- K — LEXINGTON, CITY OF
- L — MONROE, CITY OF
- M — ROCKY MOUNT, CITY OF
- N — SHELBY, CITY OF
- O — WILSON, CITY OF
- P — BESSEMER, CITY OF

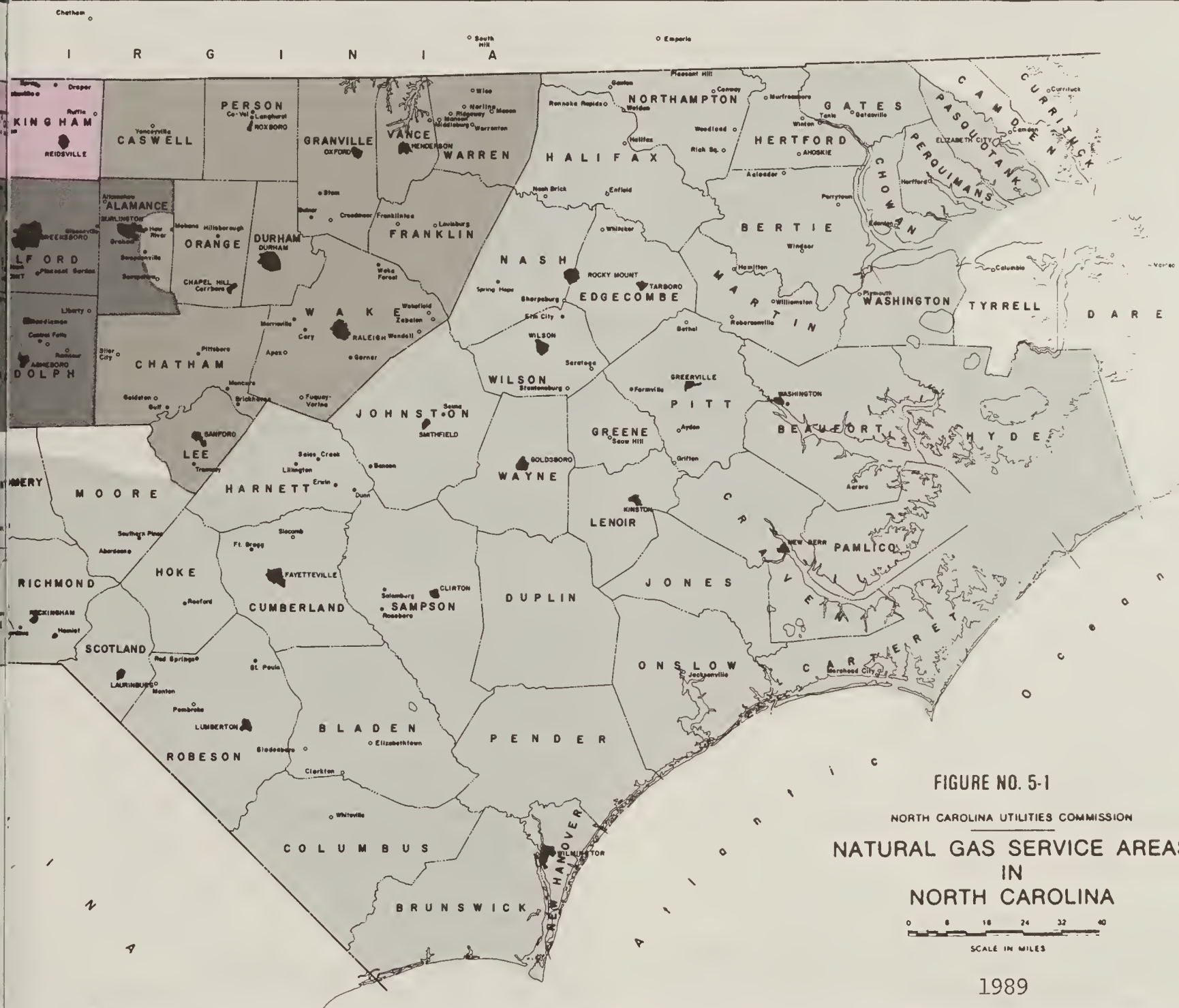


FIGURE NO. 5-2

NORTH CAROLINA GAS COMPANIES

As of December 31, 1990

North Carolina Natural Gas Corp.
150 Rowan Street
Fayetteville, North Carolina 28302
MR. CALVIN B. WELL, PRESIDENT

Piedmont Natural Gas Co., Inc.
P. O. Box 33068
Charlotte, North Carolina 28233
MR. JOHN MAXHEIM, CHAIRMAN OF
THE BOARD, PRESIDENT, AND CHIEF
EXECUTIVE OFFICER

North Carolina Gas Service, Division
of Pennsylvania & Southern Gas Co.
P. O. Box 779
Reidsville, North Carolina 27320
MR. E. L. LOHMANN, PRESIDENT AND
CHIEF EXECUTIVE OFFICER

Public Service Co. of N.C., Inc.
P. O. Box 1398
Gastonia, North Carolina 28053
MR. C. E. ZEIGLER, JR., CHIEF
OPERATING OFFICER (Title
changed to CHAIRMAN AND
PRESIDENT April 18, 1991)

FIGURE NO. 5-3

N. C. MUNICIPAL GAS SYSTEMS

As of December 31, 1990

Bessemer City, City of
132 West Virginia Avenue
Bessemer City, North Carolina 28016
MR. CHARLES W. BOYD
GAS SUPERINTENDENT

Monroe, City of
P. O. Box 69
Monroe, North Carolina 28110
MR. J. E. HINKLE, CITY MANAGER

Greenville Utilities Commission
P. O. Box 1847
Greenville, North Carolina 27834
MR. JASPER DONALD HUDSON
DEPUTY FINANCE DIRECTOR

Rocky Mount, City of
P. O. Drawer 1180
Rocky Mount, North Carolina 27801
MR. WILLIAM G. SHERK
DIRECTOR OF UTILITIES

Kings Mountain, City of
P. O. Box 429
Kings Mountain, North Carolina 28086
MS. JUDY H. HARMON
ASSISTANT CITY CLERK

Shelby, City of
P. O. Box 207
Shelby, North Carolina 28150
MR. MICHAEL L. HAGGARD
GAS SUPERINTENDENT

Lexington, City of
28th West Center Street
Lexington, North Carolina 27290
MR. J. A. YARBOROUGH
DIRECTOR OF FINANCE

Wilson, City of
P. O. Box 10
Wilson, North Carolina 27893
MR. H. GERALD PITTMAN
ACCOUNTING MANAGER

THE NATURAL GAS INDUSTRY

A. A BRIEF HISTORY OF THE NATURAL GAS INDUSTRY

During 1989 four Class A natural gas utility companies were under the regulation of the North Carolina Utilities Commission: North Carolina Natural Gas Corporation; North Carolina Gas Service -- a Division of Pennsylvania and Southern Gas Company, Inc.; Piedmont Natural Gas Company, Inc.; and Public Service Company of North Carolina, Inc. Class A utilities have annual gross operating revenues of \$2,500,000 or more. Figure No. 5-1 is a map illustration of the natural gas service areas in North Carolina. Figure No. 5-2 is a list of the companies and their chief officers, and Figure No. 5-3 is a list of the North Carolina Municipal Gas Systems.

North Carolina Natural Gas Corporation (NCNG) is a public utility, subject to regulation by the North Carolina Utilities Commission which provides natural gas service to approximately 102,000 customers in eastern and central North Carolina, including residential, commercial, and industrial customers in 58 towns and cities and four municipal gas distribution systems. NCNG also serves natural gas to the agricultural community in its service area for use in the drying of farm products. NCNG also has a non utility division which provides propane gas to over 5,900 customers. This division also sells gas appliances and home insulation services. The wholly owned subsidiaries, NCNG Exploration Corporation and Cape Fear Energy Corporation are engaged in exploration and production of natural gas and oil.

Public Service Company of North Carolina (Public Service) is a natural gas utility that serves over 221,000 residential, commercial, and industrial customers in 85 communities in 26 North Carolina counties. It spans an area approximately 10,000 square miles in which more than 2.5 million people

reside. A primary focus of the company during 1989 was the continued expansion of service to the Research Triangle area. A new 60,000 gallon storage facility was completed in Oxford to serve customers in Oxford, Henderson, and the Creedmoor areas, and to expand into Roxboro. Additional storage facilities are also being added near Denver to expand service within the Statesville division of Public Service. This facility has a capacity of 30,000 gallons. Public Service has one wholly owned subsidiary, SNC Natural Resources Corporation, which is engaged in onshore exploration and production of natural gas and petroleum products.

Piedmont Natural Gas Company (Piedmont) is a diversified energy and services company primarily engaged in the purchase, distribution, and sale of natural gas to over 364,067 residential, commercial, and industrial customers in North Carolina, South Carolina, and Tennessee. Piedmont and its subsidiaries are also engaged in the acquisition, marketing, and transportation of natural gas supplies, in oil and gas exploration and development, and in the sale of propane and associated products, commercial and industrial coal and fuel oil, and residential and commercial gas appliances. Piedmont's propane customers totaled 30,400 in 1989. Piedmont's utility operations are subject to regulation by the North Carolina Utilities Commission, the Tennessee Public Service Commission, and the Public Service Commission of South Carolina.

Pennsylvania & Southern Gas Company (Penn. & Southern) North Carolina Gas Service is a division of Pennsylvania and Southern Gas Company (Penn. & Southern). Penn. & Southern operates five divisions in four states. The states include New York, North Carolina, Pennsylvania, and Maryland. The North Carolina Gas Service Division is located in

Rockingham and Stokes Counties. It provides both natural and propane gases in an area with a population of approximately 83,000. The North Carolina Gas Service Division's customers number about 12,600 including forty-seven industries of various sizes. The Division office is located in Reidsville. Natural gas requirements are purchased from Transcontinental Gas Pipeline Corporation, with the exception of a small amount purchased from Rockingham Exploration Company.

B. PLANT INVESTMENT AND EXPANSION

The four major gas companies serve North Carolina cities and towns which have a combined population in excess of 5,600,000. The natural gas companies continued expansion of services by investing an additional \$87 million in plant facilities for the 1989 calendar year. In 1988 gas companies invested an additional \$88 million. At December 31, 1989, their combined total gross investment for the State was \$875,524,000. This represents an increase of 11.1% from the preceding year. Figure No. 5-4 gives the gross plant investment for the natural gas companies for the period 1963-1989.

C. GROWTH TRENDS--CUSTOMERS, REVENUES, VOLUME

In 1989 the annual average number of natural gas utility customers increased 8.1% from the previous year. Figure No. 5-5 shows the customer by classification for the years 1963-1989. Figure No. 5-6 shows the customer growth for the years 1975, 1980, 1985, 1986, 1987, 1988, and 1989 by major customer classification.

Figure No. 5-7 shows graphically the sales volume of natural gas to the classes of ultimate consumers in millions of dekatherms by the North Carolina regulated natural gas companies for the years 1984, 1985, 1986, 1987, 1988, and 1989 by major customer classification.

Figure No. 5-8 shows the summary

of natural gas sales of mcfs and dekatherms, revenues, and customers by classification of the years 1980, 1985, 1986, 1987, 1988, and 1989.

In 1989 industrial sales totaled 51 million dekatherms. This reflects an 8.1% decrease from the 1988 sales. Total industrial sales of dekatherms accounted for 42.2% of total natural gas sales in North Carolina by the regulated natural gas companies.

Figure No. 5-9 shows total customer growth, total revenues from the dekatherms of gas sold by the regulated companies and the municipal gas systems for the years 1980, 1984, 1985, 1986, 1987, 1988, and 1989.

The municipals experienced an increase in the number of customers of 14.8% in 1989, while the regulated gas utilities grew by 8.1%. Revenues from the sales of gas in 1989 decreased at a rate of .9% for the regulated gas companies and increased at a rate of 21.8% for the municipals. The quantity of gas sold in terms of dekatherms in 1989 decreased 4.1% for the regulated companies and increased 12.2% for the municipals.

D. COMPARISONS OF RESIDENTIAL BILLS, USAGE, AND COST PER MCF OR DEKATHERM

Some average annual usages and cost data for the North Carolina natural gas companies and seven natural gas companies located in various sections of the United States are shown in Figure No. 5-10. The weighted average rate per dekatherm of the North Carolina customers is somewhat higher than the national average.

E. GAS TRACKINGS--PASS ONS--SPECIAL SITUATIONS, AND GENERAL RATE CASES

Wholesale Price Changes:
Pursuant to authority granted to the

Utilities Commission in G.S. 62-133 by the 1971 General Assembly, the Commission, in Docket No. G-100, Sub 14, established procedures under which gas companies in North Carolina could pass on to their customers wholesale increases in the cost of gas to them by their pipeline suppliers. This tracking authority has reduced the amount and number of general rate cases filed with the Commission during the years since 1972. It has also reduced the lag time the companies would have experienced in recouping the increased gas costs which have a direct impact on the companies' level of earnings. The gas tracking changes approved by the Commission for the calendar year 1988 are found in Figure No. 5-11.

Special Situations: These gas trackings can be both increases and decreases in the cost of wholesale gas from Transco. The distributing companies maintain a "deferred" account in which the changes in cost of gas from the filed tariff rate are accounted for, and at an appropriate time applications to receive or refund the net effect are made with the Commission. The tracking proceedings under which these pass ons are allowed involves filing of data by gas utilities essentially in the same format as filing for general rate proceedings. This data is reviewed and analyzed by both the Commission and Public Staff's Engineering and Accounting Divisions.

Gas Supply Volume Trackings: Since 1976 the Commission has granted approval for all the gas utilities to file Curtailment Tracking Adjustments (CTAs) such that the gas utilities' margin (difference in revenues and cost of gas plus gross receipts tax) was fixed in the general rate case. These mechanisms protected the gas utility from fluctuating changes in supply volumes. As the available supply of natural gas increased, the margins increased on sales to customers and permitted the customers' rates to be reduced while the companies' margin remained fixed. As volumes decreased the gas utility simply raised all

customers' rates such that the margin remained constant. The mechanisms as described allowed interim adjustments to rates so the gas utility did not have to file constant general rate cases to take care of the volatile fluctuations in its supply of gas and resultant changes in margins. In 1983 the CTAs were replaced by the Industrial Sales Tracker (IST).

Industrial Sales Tracker (IST):

The Industrial Sales Tracker implemented for Public Service Company and North Carolina Natural Gas is a modified curtailment tracking mechanism. The mechanism collects revenues from those industrial customers who have heavy fuel oil as an alternate fuel and refund it to the high priority market. This mechanism was proposed by the Public Staff so that gas utilities could negotiate the sale of industrial natural gas and benefit all other non-IST customers. As industrial sales increase, the rates to all non-IST customers are lowered, and by the same token, if individual natural gas sales decrease, the rate to all other non-IST customers will increase. This mechanism was begun in 1983 for the two gas utilities as mentioned earlier and was discontinued for Public Service Company in 1986.

Decreases in the amount of available gas result in an increased IST rate while increases result in a decreased IST rate. Changes in the available gas from the base year volumes due to fluctuations in gas supply and sales volume will inversely affect the IST base year volumes. Then the IST rate will be adjusted accordingly.

Rider D: The Rider D mechanism gives companies an opportunity to offset losses resulting from customers negotiating lower gas prices in lieu of purchasing alternate fuels. Public Service Gas Company and Piedmont Natural Gas Company made proposals and were granted the Rider D mechanism. Under

the Rider D, the purchased gas adjustment procedure enables the company to negotiate lower rates with customers and to recover any margin losses resulting thereof by spot market purchases. In summary the Rider D allows losses in margin, resulting from negotiating prices downward, to be offset by savings achieved through the company purchasing lower cost spot gas.

Exploration and Development Trackings (E&D): On June 28, 1975, the Commission established natural gas exploration rules (Docket No. G-100, Sub 22) which approved exploration and development programs. These programs would be financed by customers and stockholders in the ratio of 75% to 25% respectively. Initially every six months the distributors determined a dekatherm rate to be billed to their customers to received their share of the allowable exploration and development costs. Successful discoveries are sold, and the proceeds used to reduce exploration costs, or the new gas is put into Transco's supply of gas to North Carolina distributors.

In September 1980 the North Carolina Utilities Commission terminated the ratepayers' participation in the E&D programs, except for development costs. Supplies of natural gas had begun to increase thereby eliminating the necessity of further participation in the programs. The net effect of the termination of the programs is that the expenditures decreased, and the value of recoveries increased thus providing refunds to customers. The program currently is providing refunds to those customers who are being served as of September 1980, thereby assuring that only those customers who participated in the costs would also participate in the increased value of the recoveries. Refunds to customers participating in the E&D programs are determined on the same percentage basis as their share of the costs were tabulated. These refunds will continue as long as net revenues are being received from the sale of gas produced. Capital expenditures from exploration ventures through September

1989 were \$89,002,284. The total net equivalent mcf production is 36,810,978. Therefore, the finding cost per mcf is \$2.42. Figure No. 5-12 illustrates the 1989 refunds and cumulative dollars paid to fund the E&D programs.

General Rate Cases: There was one general rate increase case filed by Public Service Company of North Carolina and approved by the North Carolina Utilities Commission during 1989. The total amount approved by the Commission was \$5,412,068, or 65.7% of the amount requested. See Figure No. 5-13.

F. NATURAL GAS PIPELINE SAFETY

History and Overview: On August 12, 1968, the United States Congress passed Public Law 90-481, better known as the Natural Gas Pipeline Safety Act of 1968. This Act authorized the Secretary of Transportation to administer this law, develop standards, and regulate enforcement of such standards for the design, installation, inspection, testing, construction, extension, operations, replacement, and maintenance of pipeline facilities. Section 5a of this Act authorized each state to regulate these minimum standards through certification by the Secretary of Transportation providing certain provisions were met.

Section 62-50 (Safety Standards of Interstate and Intrastate Natural Gas Pipelines) was enacted as Chapter 1134 of the 1967 Session Laws and became effective January 1, 1968. In the 1969 Legislature an amendment was added to Section 62-50 of the General Statutes which authorized the North Carolina Utilities Commission to administer a state program pertaining to the design, installation, inspection, testing, construction, extension, operations, replacement, and maintenance of pipeline facilities used to transport natural gas in North Carolina.

The procedures and standards adopted by the North Carolina Utilities Commission as authorized under Section 62-50 is known as the North Carolina Gas Pipeline Safety Code. This code is a mandatory requirement under state law and noncompliance by any persons engaged in the transportation of gas or persons who own or operate pipeline facilities is subject to a civil penalty not to exceed \$10,000 per each violation for each day that such violations persists, except that the maximum civil penalty shall not exceed \$500,000 for any related series of violations. The law also provides authority for the Commission to file suit to restrain violations of the Code, including the restraint of transportation of gas for the operation of the pipeline facilities.

The North Carolina Gas Pipeline Safety Code is comprised of three basic sections: part 191 (Report of Leaks), Part 192 (Minimum Federal Safety Standards), and Part 193 (Liquified Natural Gas Facilities). In order to comply with the certification of the Secretary of Transportation, the Commission must adopt as part of its Code all minimum federal safety standards.

There are four major gas utilities in North Carolina along with eight municipal gas systems. In addition, the 1979 session of the North Carolina General Assembly gave the Utilities Commission jurisdiction over master meter operations. This added 168 distribution systems to the already existing 175, bringing the total to 343 systems which must be inspected for compliance with the North Carolina Gas Pipeline Safety Code. These systems include 1,569 miles of transmission mains and 13,439 miles of distribution mains serving more than 585,330 customers in North Carolina.

Enforcement Activity: During 1989 the Gas Pipeline Safety Section of the Commission Staff spent 317 days inspecting 37 natural gas operators. Of the 61 inspection units inspected, 45

violations were detected. By the end of the year, 26 of the violations had been corrected, in addition to the 18 carried over from 1988. The staff conducted four seminars in North Carolina for the state gas operators. Two accidents were investigated during the year. The cost of conducting the pipeline program for 1989 was \$222,680, of which \$89,872 was refunded to the State from the Federal Department of Transportation.

G. SOURCE AND DISPOSITION OF THE GAS REVENUE DOLLAR

Shown in Figure No. 5-14 is a comparison chart reflecting both the source and disposition of the gas revenue dollar for the years 1982 through 1989. In Figure No. 5-15 this same information is illustrated in pie charts for both the source and disposition of the gas revenue dollar for 1989.

H. STATISTICAL SUMMARY DATA

The total gross operating revenues for the Class A natural gas companies were more than \$606 million in 1989. This reflects a 1.7% increase from the previous year. Operating expenses including taxes increased 1.1% in 1989, and net operating income increased .2%.

Interest on long-term debt decreased 5.1%, and earnings per share outstanding decreased from \$2.03 in 1988 to \$1.81 in 1989. The average number of common stock shares outstanding increased by 2.6% to 23,540,000 shares at the end of 1989. The average number of full-time employees in 1989 totaled 2,789, an increase of 143 persons. The total wages paid these employees equaled \$75,488,000, an 11.1% increase from the previous year. See Figure No. 5-16 for additional financial and operating statistical data.

FIGURE NO. 5-4

NATURAL GAS COMPANIES-- CLASS A
GROSS PLANT INVESTMENTS--YEAR-END DATA (\$000s)
(N.C. Data Only)
1963-1989

Year	N.C. Natural Gas Co.	Penn & Southern Gas Co.	Piedmont Natural Gas Co.	Public Service Co. of N.C.	United Cities Gas Co.	Totals	% Change From Prior Year
1963	\$29,325	\$2,338	\$45,175	\$37,293	\$672	\$114,803	
1964	30,237	2,505	49,765	42,591	694	\$125,792	9.6
1965	31,136	2,730	55,621	48,008	705	\$138,200	9.9
1966	32,272	3,059	59,880	54,382	763	\$150,356	8.8
1967	34,353	3,360	65,384	61,963	922	\$165,982	10.4
1968	40,463	3,655	72,417	68,359	919	\$185,813	11.9
1969	44,597	3,876	79,287	74,799	1,001	\$203,560	9.6
1970	47,676	4,064	86,347	80,825	1,386	\$220,298	8.2
1971	51,691	4,366	89,675	86,047	1,623	\$233,402	5.9
1972	54,416	4,581	99,864	90,964	1,868	\$251,693	7.8
1973	56,571	4,792	107,031	95,663	2,070	\$266,127	5.7
1974	58,162	4,858	110,179	100,982	2,275	\$276,456	3.9
1975	59,981	5,304	111,973	111,602	2,402	\$291,262	5.4
1976	62,363	5,451	113,970	118,924	2,606	\$303,314	4.1
1977	64,355	5,440	117,842	123,821	2,744	\$314,202	3.6
1978	66,859	5,595	125,140	129,207	3,010	\$329,811	5.0
1979	70,393	5,826	132,120	137,009	3,211	\$348,559	5.7
1980	76,058	6,284	147,546	151,932	3,942	\$385,762	10.7
1981	82,091	6,406	160,032	165,475	4,350	\$418,354	8.4
1982	87,482	6,660	174,280	184,661	--	\$453,083	8.3
1983	92,729	6,834	189,714	199,101	--	\$488,378	7.8
1984	98,956	7,061	206,014	219,625	--	\$531,656	8.9
1985	113,096	7,439	224,957	239,663	--	\$585,155	10.1
1986	128,428	7,828	245,324	257,193	--	\$638,773	9.2
1987	134,465	8,114	272,499	284,795	--	\$699,873	9.6
1988	144,351	8,697	315,292	319,834	--	\$788,174	12.6
1989	154,895	9,634	351,261	359,734	--	\$875,524	11.1
Percent Change							
1989 over 1988	7.3 %	10.8 %	11.4 %	12.5 %	--	11.1 %	

FIGURE NO. 5-5

CUSTOMERS BY CLASSIFICATION (YEARLY AVERAGE)
(N.C. Data Only)
1963-1989

Year	Residential	Commercial	Industrial	Other (a) Classes	Totals	% Change From Prior Year
1963	125,435	17,470	1,661	13,387	157,953	
1964	134,097	18,903	1,802	13,276	168,078	6.4 %
1965	145,080	20,613	1,860	17,834	185,387	10.3 %
1966	156,836	22,363	1,984	16,187	197,370	6.5 %
1967	169,127	24,241	2,107	15,639	211,114	7.0 %
1968	182,622	26,250	2,018	17,193	228,083	8.0 %
1969	196,570	28,918	2,625	18,580	246,693	8.2 %
1970	208,712	30,572	2,789	20,213	262,286	6.3 %
1971	220,941	31,834	2,308	20,435	275,518	5.0 %
1972	233,746	32,409	2,336	21,083	289,574	5.1 %
1973	242,405	33,245	2,218	21,645	299,513	3.4 %
1974	251,611	34,239	1,883	21,820	309,553	3.4 %
1975	255,339	35,141	1,862	22,221	314,563	1.6 %
1976	259,355	35,435	1,752	22,561	319,103	1.4 %
1977	267,629	35,141	1,862	17,007	321,639	0.8 %
1978	276,273	35,559	1,819	14,444	328,095	2.0 %
1979	280,289	36,162	1,809	14,794	333,054	1.5 %
1980	294,343	37,904	1,911	15,140	349,298	4.9 %
1981	304,072	39,108	1,992	14,979	360,151	3.1 %
1982	314,108	40,624	2,026	14,962	371,720	3.2 %
1983	324,569	42,364	2,126	15,095	384,154	3.3 %
1984	335,249	44,147	2,104	15,532	397,032	3.4 %
1985	348,331	45,770	2,535	15,222	411,858	3.7 %
1986	367,393	48,605	2,913	15,099	434,010	5.4 %
1987	399,056	52,465	2,938	15,098	469,557	8.2 %
1988	413,519	55,176	2,988	14,346	486,029	3.5 %
1989	448,928	59,453	2,724	14,210	525,315	8.1 %
Percent Change						
1989 over 1988	8.6 %	7.8 %	(8.8)%	(0.9)%	8.1 %	

(a) Includes public housing units rather than meters.

FIGURE NO. 5-6

GAS COMPANIES--CUSTOMER GROWTH BY CLASSES
 (North Carolina Data Only--Annual Average Shown)
 1975, 1980, 1985, 1986, 1987, 1988, 1989

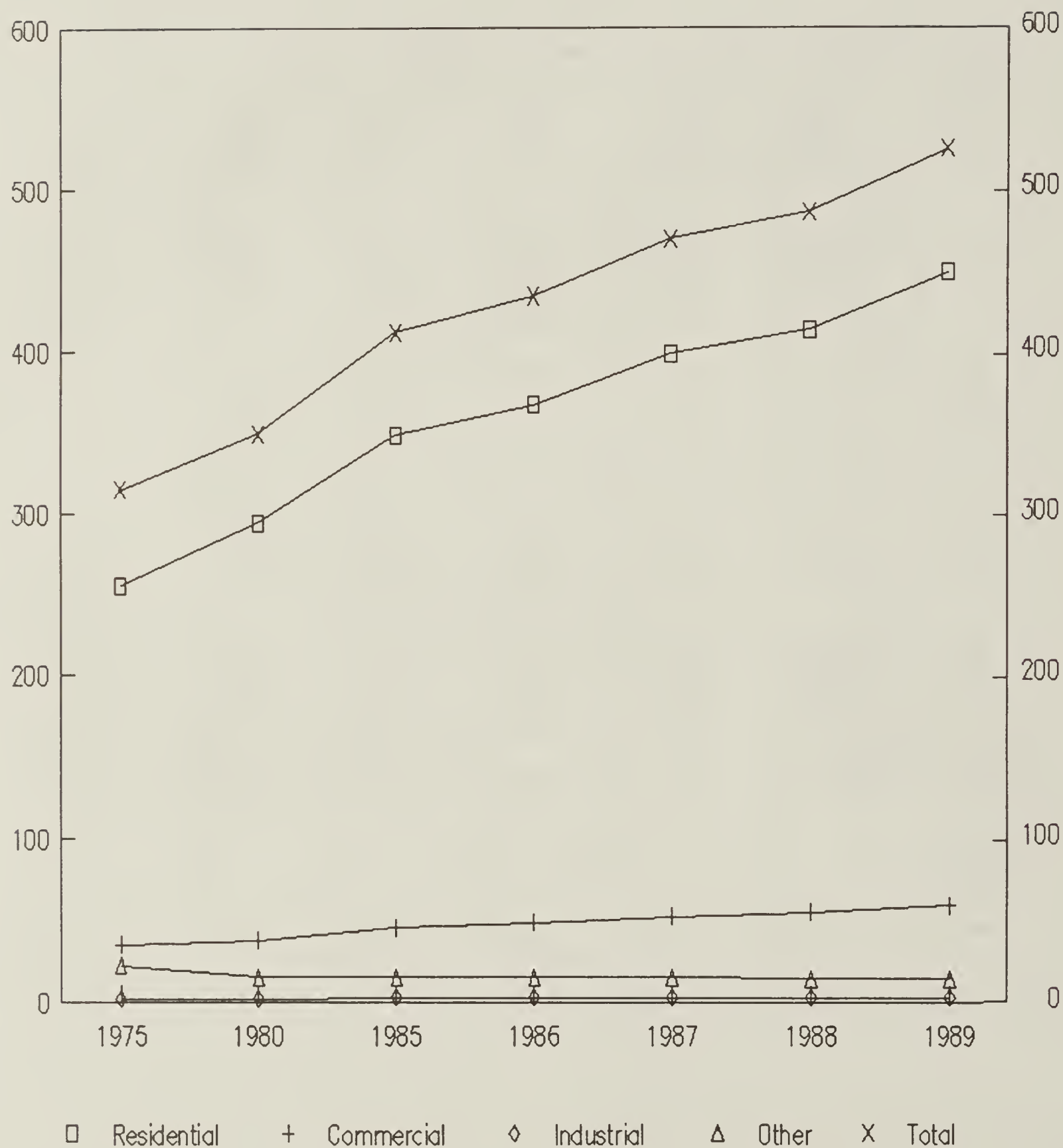


FIGURE NO. 5-7

GAS COMPANY ENERGY SALES BY CLASSES TO ULTIMATE CONSUMERS
(Millions of Dekatherms--North Carolina Data Only)
1984, 1985, 1986, 1987, 1988, 1989

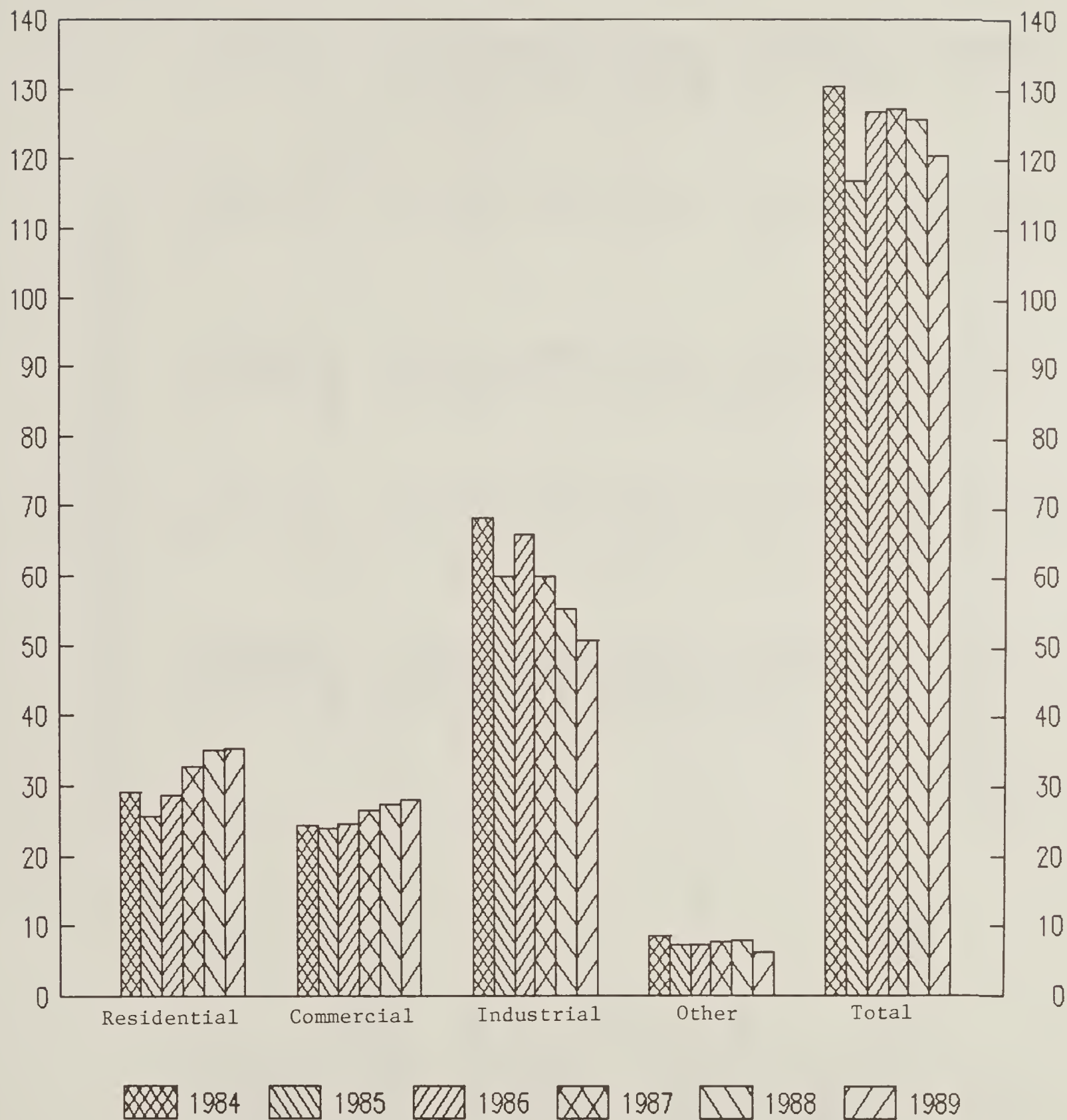


FIGURE NO. 5-8 A

Summary of Natural Gas Sales of Mcfs (1975) and Dekatherms (1980-1989)
Revenues and Customers by Classification with Percent of Totals Shown
Calendar Years 1980, 1985, 1986, 1987, 1988, 1989

Sales--Mcfs and DTs (000s)	1980	% of Total	1985	% of Total	1986	% of Total
Residential	28,563	20.6 %	25,713	20.7 %	28,660	22.6 %
Commercial	20,946	15.1	24,003	20.5	24,741	19.5
Industrial	81,591	58.9	59,952	51.3	65,951	52.1
Other	7,320	5.3	7,206	6.2	7,281	5.7
Total Sales	138,420	100.0 %	116,874	100.0 %	126,633	100.0 %
Revenues: (\$000s)						
Residential	\$117,253	23.9 %	\$165,987	26.1 %	\$186,173	30.9 %
Commercial	78,126	15.9	135,834	21.3	133,032	22.1
Industrial	269,458	55.0	287,098	45.1	235,571	39.1
Other	25,181	5.1	47,560	7.5	47,615	7.9
Total Revenues	\$490,018	100.0 %	\$636,479	100.0 %	\$602,391	100.0 %
Customers: (Annual Average)						
Residential	294,343	84.3 %	348,331	84.6 %	367,393	84.7 %
Commercial	37,904	10.9	45,770	11.1	48,605	11.2
Industrial	1,911	0.5	2,535	0.6	2,913	0.7
Other	15,140	4.3	15,222	3.7	15,099	3.5
Total Customers	349,298	100.0 %	411,858	100.0 %	434,010	100.0 %

Percent Change in Sales of Gas: (Mcfs and Dekatherms)

Sales:	1985/1980	1986/1985
Residential	(10.0)%	11.5 %
Commercial	14.6	3.1
Industrial	(26.5)	10.0
Other	(1.6)	1.0
Total Sales	(15.6)%	8.4 %

FIGURE NO. 5-8 B

Summary of Natural Gas Sales of Mcfs (1975) and Dekatherms (1980-1989)
Revenues and Customers by Classification with Percent of Totals Shown
Calendar Years 1980, 1985, 1986, 1987, 1988, 1989

Sales--Mcfs and DTs (000s)	1987	% of Total	1988	% of Total	1989	% of Total
Residential	32,654	25.7 %	35,044	27.9 %	35,454	29.4 %
Commercial	26,631	21.0	27,484	20.9	27,999	23.2
Industrial	60,066	47.3	55,308	44.0	50,821	42.2
Other	7,743	5.8	7,792	6.2	6,204	5.1
Total Sales	127,094	100.0 %	125,628	100.0 %	120,478	100.0 %
Revenues: (\$000s)						
Residential	\$213,441	35.1 %	\$215,215	37.0 %	\$227,558	39.5 %
Commercial	138,251	22.7	136,760	23.5	142,656	24.7
Industrial	223,042	36.7	194,159	36.6	181,878	31.5
Other	33,819	5.6	35,558	6.1	24,614	4.3
Total Revenues	\$608,553	100.0 %	\$581,692	100.0 %	\$576,706	100.0 %
Customers: (Annual Average)						
Residential	399,056	85.0 %	413,519	85.1 %	448,928	85.5 %
Commercial	52,465	11.2	55,176	11.4	59,453	11.3
Industrial	2,938	0.6	2,988	0.6	2,724	0.5
Other	15,098	3.2	14,346	3.0	14,210	2.7
Total Customers	469,557	100.0 %	486,029	100.0 %	525,315	100.0 %

Percent Change in Sales of Gas: (Mcfs and Dekatherms)

Sales:	1987/1986	1988/1987	1989/1988
Residential	13.9 %	7.3 %	1.2 %
Commercial	7.6	3.2	1.9
Industrial	(8.9)	(7.9)	(8.1)
Other	6.3	0.6	(20.4)
Total Sales	0.4 %	(1.2)%	(4.1)%
Sales--Mcfs and DTs (000s)	1975	1985	1987
Residential	24,458	25,713	32,654
Commercial	15,867	24,003	26,631
Industrial	51,456	59,952	60,066
Other	6,768	7,206	7,743
Total Sales	98,549	116,874	127,094
	75-85 % CHANGE	85-86 % CHANGE	86-87 % CHANGE
Residential	5.1	11.5	13.9
Commercial	51.3	3.1	7.6
Industrial	16.5	10.0	(8.9)
Other	6.5	1.0	6.3
Total Sales	18.6	8.4	0.4

FIGURE NO. 5-9 A

REGULATED AND MUNICIPAL GAS SYSTEMS
Total Number of Customers, Total Revenue from Sales of Gas, and Total Dekatherms Sold
(\$, Dekatherms in 000s)
(N. C. Data Only)

Total Number of Customers--Yearly Average

COMPANY	1980	1984	1985	1986	1987	1988	1989	% Change 1989-1988
Class A:								
N.C. Natural Gas	58,082	64,812	66,365	68,376	70,092	72,432	74,918	3.4
N.C. Gas Service (Penn. & Southern)	8,739	8,842	8,911	9,645	9,950	10,197	10,499	3.0
Piedmont Natural Gas	147,743	167,257	172,956	181,939	191,832	204,469	217,932	6.6
Public Service Co. of N.C.	131,787	156,121	163,626	174,050	197,683	198,931	221,966	11.6
United Cities Gas Co.	2,947	--	--	--	--	--	--	--
Total--Regulated Utilities (1)	349,298	397,032	411,858	434,010	469,557	486,029	525,315	8.1
Municipals:								
Bessemer City	354	562	565	584	602	665	820	23.3
Greenville, City of	3,456	4,203	4,409	4,561	4,885	5,276	5,861	11.1
Kings Mountain, City of	1,767	1,632	1,458	1,752	2,167	2,198	2,364	7.6
Lexington, City of	4,369	4,526	4,581	N/A	N/A	5,355	5,453	1.8
Monroe, City of	2,361	2,208	N/A	N/A	N/A	N/A	3,184	N/COMP
Rocky Mount, City of	8,195	9,001	9,437	9,779	9,891	10,143	10,661	5.1
Shelby, City of	3,684	4,284	4,250	4,301	4,326	4,541	4,913	8.2
Wilson, City of	5,873	6,351	6,386	6,448	6,552	6,768	6,878	1.6
Total--Municipals (2)	30,059	32,767	31,086	27,425	28,423	34,946	40,134	14.8
GRAND TOTALS--ALL GAS SYSTEMS	379,357	429,799	442,944	461,435	497,980	520,975	565,449	8.5

N/C Not Comparable

(1) Totals do not include sales for resale customers.

(2) Municipal data for fiscal years ended June 30.

FIGURE NO. 5-9 B

REGULATED AND MUNICIPAL GAS SYSTEMS
Total Number of Customers, Total Revenue from Sales of Gas, and Total Dekatherms Sold
(\$, Dekatherms in 000s)
(N. C. Data Only)

Total Revenue From Sales of Gas (N.C. Data Only) (\$ in 000s)								
COMPANY	1980	1984	1985	1986	1987	1988	1989	% Change 1989-1988
Class A:								
N.C. Natural Gas	\$137,056	\$182,410	\$150,168	\$131,203	\$137,321	\$131,474	\$132,120	0.5
N.C. Gas Service (Penn. & Southern)	9,642	14,876	12,783	11,104	11,386	10,420	10,107	(3.0)
Piedmont Natural Gas	179,421	284,777	252,852	243,411	238,390	235,366	227,990	(3.1)
Public Service Co. of N. C.	159,891	253,588	214,496	216,673	221,456	204,432	206,489	1.0
United Cities Gas Co.	3,011	--	--	--	--	--	--	--
Total--Regulated Utilities (1)	\$489,021	\$735,651	\$630,299	\$602,391	\$608,553	\$581,692	\$576,706	(0.9)
Municipals:								
Bessemer City	\$1,023	\$1,576	\$1,196	\$1,034	\$879	\$1,212	\$1,431	18.1
Greenville, City of	3,660	6,005	5,986	6,910	6,600	6,783	7,575	11.7
Kings Mountain, City of	2,817	4,544	3,972	3,761	3,902	3,948	3,825	(3.1)
Lexington, City of	6,759	12,700	12,360	N/A	N/A	10,150	11,024	9
Monroe, City of	3,078	6,966	N/A	N/A	N/A	N/A	6,999	N/COMP
Rocky Mount, City of	8,563	11,532	11,214	11,181	11,283	11,435	12,199	6.7
Shelby, City of	8,649	15,506	16,287	13,719	9,301	13,566	15,110	11.4
Wilson, City of	2,883	5,932	5,410	5,018	5,683	5,458	5,847	7.1
Total--Municipals (2)	\$37,432	\$64,761	\$56,425	\$41,623	\$37,648	\$52,552	\$64,010	21.8
GRAND TOTALS--ALL GAS SYSTEMS	\$526,453	\$800,412	\$686,724	\$644,014	\$646,201	\$634,244	\$640,716	1.0

N/C Not Comparable

(1) Does not include Other Operating Revenues.

(2) Municipal Data for fiscal years ended June 30.

FIGURE NO. 5-9 C

REGULATED AND MUNICIPAL GAS SYSTEMS
Total Number of Customers, Total Revenue from Sales of Gas, and Total Dekatherms Sold
(\$, Dekatherms in 000s)
(N. C. Data Only)

Total Dekatherms of Gas Sold (000s)

COMPANY	1980	1984	1985	1986	1987	1988	1989	% Change 1989-1988
Regulated Utilities								
Class A:								
N. C. Natural Gas	41,947	34,273	30,522	31,875	33,198	34,178	33,414	(2.2)
N.C. Gas Service (Penn. & Southern)	2,672	2,455	2,200	2,152	2,377	2,300	2,399	4.3
Piedmont Natural Gas	48,991	49,952	46,358	49,976	48,011	48,298	43,675	(9.6)
Public Service Co. of N.C.	43,942	43,625	37,794	42,630	43,508	40,852	40,990	0.3
United Cities Gas Co.	868	--	--	--	--	--	--	--
Total--Regulated Utilities	138,420	130,305	116,874	126,633	127,094	125,628	120,478	(4.1)
Municipals:								
Bessemer City	379	339	229	200	209	284	354	24.6
Greenville, City of	940	916	956	1,186	1,186	1,279	1,345	5.2
Kings Mountain, City of	1,008	879	761	810	969	943	935	(0.8)
Lexington, City of	2,609	2,731	2,680	N/A	N/A	5,419	5,647	4.2
Monroe, City of	878	1,112	N/A	N/A	N/A	N/A	1,278	N/COMP
Rocky Mount, City of	2,170	1,957	1,963	2,038	2,167	2,564	2,718	6.0
Shelby, City of	3,553	3,463	3,652	3,200	3,520	4,264	4,392	3.0
Wilson, City of	853	941	877	831	906	975	977	0.2
Total--Municipals (2)	12,390	12,338	11,118	8,265	8,957	15,728	17,646	12.2
GRAND TOTALS--ALL GAS SYSTEMS	150,810	142,643	127,992	134,898	136,051	141,356	138,124	(2.3)

N/C Not Comparable

(1) Municipal data for fiscal years ended June 30.

FIGURE NO. 5-10

RESIDENTIAL NATURAL GAS COMPANIES' AVERAGE DEKATHERM USAGE AND COST DATA
North Carolina and Selected Gas Companies Outside North Carolina
For the years 1980, 1985, 1986, 1987, 1988 and 1989

Company	Dekatherm Use						Rate per Dekatherm						Total Annual Cost					
	1980	1985	1986	1987	1988	1989	1980	1985	1986	1987	1988	1989	1980	1985	1986	1987	1988	1989
N.C. Gas Companies: (N.C. Data Only)																		
N.C. Natural Gas Corp.	79	60	65	73	74	72	\$4.04	\$6.03	\$5.87	\$6.34	\$5.74	\$5.88	\$319.16	\$361.80	\$381.55	\$462.82	\$424.76	\$423.36
N.C. Gas Service (Penn. & Southern)	92	71	75	82	82	80	4.11	6.67	6.25	5.82	5.91	6.00	378.12	473.57	468.75	477.24	484.62	480.00
Piedmont Natural Gas Co., Inc.	106	79	84	90	91	87	4.07	6.51	6.56	6.17	5.90	6.25	431.42	514.29	551.04	555.30	536.90	543.75
Public Service Co. of N.C., Inc.	95	73	77	77	82	74	4.11	6.51	6.62	7.02	6.52	6.70	390.45	475.23	509.74	540.54	534.64	495.80
United Cities Gas Co. (1)	89	--	--	--	--	--	4.18	--	--	--	--	--	372.02	--	--	--	--	--
Weighted Average	97	74	78	82	85	80	\$4.08	\$6.46	\$6.50	\$6.54	\$6.14	\$6.39	\$395.76	\$478.04	\$507.00	\$536.28	\$521.90	\$511.20

Company	Dekatherm Use						Rate per Dekatherm						Total Annual Cost					
	1980	1985	1986	1987	1988	1989	1980	1985	1986	1987	1988	1989	1980	1985	1986	1987	1988	1989
Gas Companies Outside N.C.: (Systemwide Data) (2)																		
Alabama Gas Co.	93	79	74	78	80	75	\$4.01	\$6.27	\$6.51	\$6.61	\$6.66	\$6.26	\$372.93	\$495.33	\$481.74	\$515.58	\$532.80	\$469.50
Arkansas Western Gas	105	90	84	85	83	92	2.59	4.90	5.07	4.70	4.57	4.74	271.95	441.00	425.88	399.50	379.31	436.08
Essex County Gas Co.	89	85	87	90	90	92	5.26	8.49	7.93	7.01	7.52	7.21	468.14	721.65	689.91	630.90	676.80	663.32
Fall River Gas Co.	93	89	94	95	97	97	5.03	7.04	6.48	5.69	5.74	5.79	467.79	626.56	609.12	540.55	556.78	561.63
Indiana Gas Co.	144	114	113	107	114	116	2.95	6.53	6.22	5.80	5.72	5.84	424.80	744.42	702.86	620.60	652.08	677.44
Mississippi Valley Gas	90	78	73	76	78	74	3.30	5.12	5.33	5.81	5.91	5.50	297.00	399.36	389.09	441.56	460.98	407.00
Washington Natural Gas	97	93	94	84	90	96	4.92	6.69	6.15	5.39	5.44	5.46	477.24	622.17	578.10	452.76	489.60	524.16
National Average (3)	115	98	94	93	98	98	\$3.17	\$5.95	\$5.65	\$5.39	\$5.29	\$5.45	\$364.55	\$583.10	\$531.10	\$501.27	\$518.42	\$534.10

(1) Public Service Company of North Carolina, Inc. purchased United Cities Gas Company and assumed full operation and control on October 1, 1982 (Docket No. G-5, Sub 179).

(2) Source: Company Annual Stockholder Reports

(3) Source: Gas Facts--Editions for years shown

FIGURE NO. 5-11

GAS TRACKING CHANGES APPROVED
1989

Company	Docket	Number	Increase/ (Decrease)	Increase/(Decrease) Per Dekatherm
N.C. Gas Company (Penn. & Southern)	G-3, Subs 155 & 159	2	(\$233,280)	-0.5449
N.C. Natural Gas Company	G-21, Subs 274, 276 & 278	3	(6,806,877)	-0.1902
Piedmont Natural Gas Company	G-9, Subs 289 & 296	2	(16,000,220)	-0.2958
Public Service Gas Company	G-5, Subs 240 & 246	2	5,019,343	0.0257
Total		9	(\$18,021,034)	

FIGURE NO. 5-12

1989 REFUNDS AND CUMULATIVE DOLLARS PAID TO FUND E & D PROGRAMS
BY TYPICAL RESIDENTIAL CUSTOMER AS OF 12/31/89

Company	Cumulative Costs per Customer		Total Customer Refunds	
	Total 1975-1982	Balance 1-01-89	1982-1989	Balance 12-31-89
N.C. Gas Service (Penn. & Southern)	\$30.86	\$20.17	\$10.96	\$9.21
N.C. Natural Gas Company	51.26	22.35	31.31	(8.96)
Piedmont Natural Gas Company	36.88	13.77	25.72	(11.95)
Public Service Gas Company	49.71	20.25	33.32	(13.07)

FIGURE NO. 5-13

GENERAL RATE INCREASES APPROVED
GAS COMPANIES
1989

Company	Date Filed	Docket Number	Amount Requested (\$000s)	Amount Approved (\$000s)	% Approved of Amount Requested	Date of Final Order
Public Service Company of N. C.	4-5-89	G-51, Sub 246	\$8,241	\$5,412	65.7%	11-8-89
Total			\$8,241	\$5,412	65.7%	

FIGURE NO. 5-14

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR
(N.C. DATA ONLY)
For the Years 1982-1989

Source	1982	1983	1984	1985	1986	1987	1988	1989
Residential	25%	26%	26%	26%	30%	35%	36%	37%
Commercial	18	19	19	21	22	22	23	24%
Industrial	52	49	50	45	39	36	33	30%
Other	5	6	5	8	9	7	8	9%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Disposition	1982	1983	1984	1985	1986	1987	1988	1989
Cost of Purchased Gas	76%	75%	74%	76%	71%	68%	65%	63%
Other Operating Expenses.	9	8	8	10	11	12	14	15%
Depreciation & Amortization	2	2	2	2	3	3	3	4%
Income Taxes	1	3	3	2	3	4	3	3%
General Taxes	7	7	7	4	4	4	5	5%
Interest	2	2	2	3	3	3	4	4%
Preferred Dividends	2	2	1	1	1	1	0	0%
Common Stock Earnings	1	1	3	2	4	5	6	6%
Total	100%	100%	100%	100%	100%	100%	100%	100%

FIGURE NO. 5-15
 SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
 GAS COMPANIES (North Carolina Data Only)
 1989

SOURCE:



DISPOSITION:

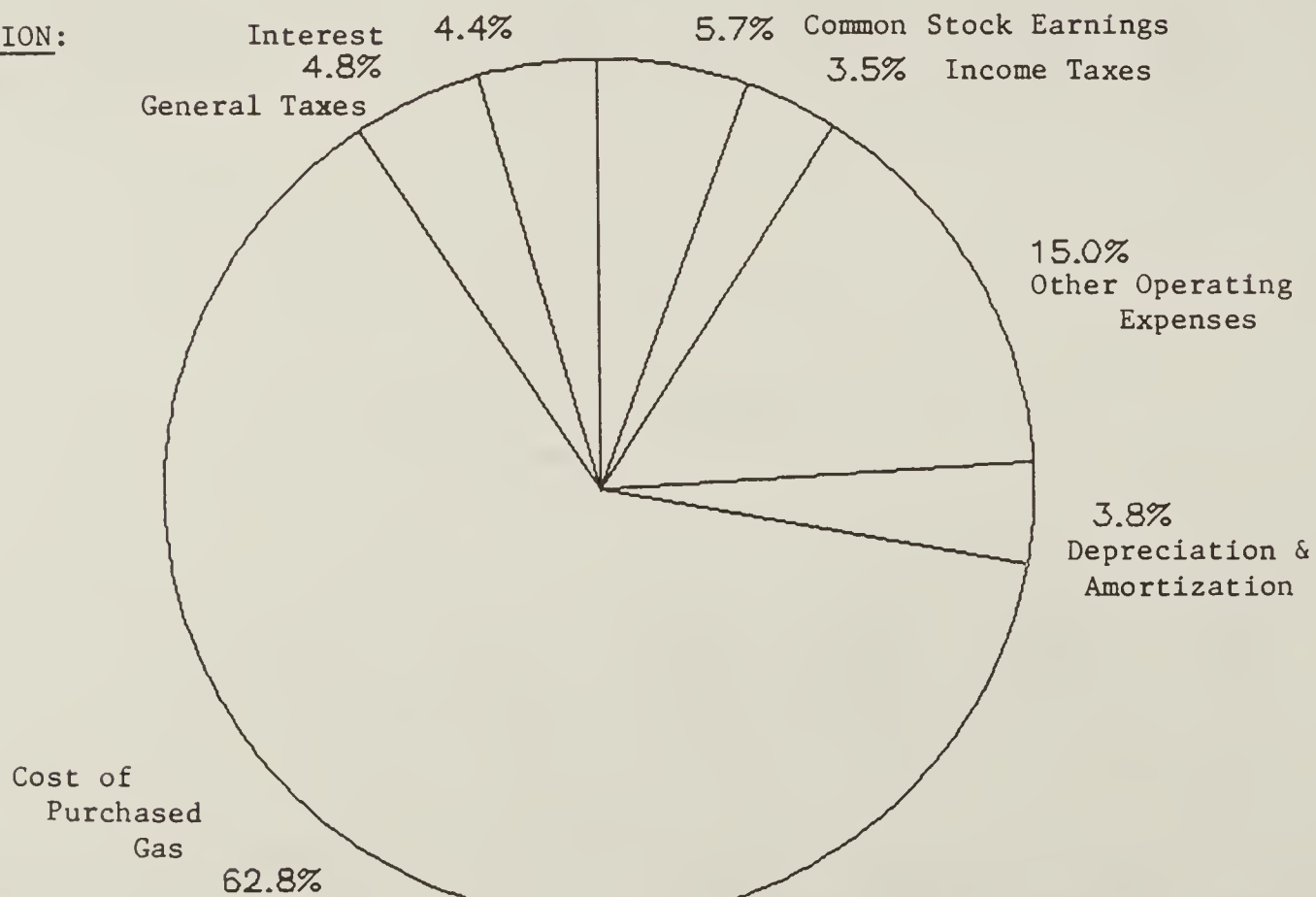


FIGURE NO. 5-16 A
CLASS A GAS COMPANIES
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS
For the Years 1975, 1980, 1985, 1986, 1987, 1988, and 1989
(NC Data Except as Noted)

ITEM	1975	1980	1985	1986	1987	1988	1989	% Change 1989-1988
Number of Companies Regulated Number included in this data	5 5	5 5	4 4	4 4	4 4	4 4	4 4	
INCOME STATEMENT (000s):								
Sales--Residential	\$49,823	\$117,253	\$165,988	\$186,173	\$213,441	\$215,215	\$227,558	5.7 %
Commercial	28,308	78,126	135,833	133,032	138,251	136,760	142,656	4.3
Industrial	71,602	269,458	287,099	235,571	233,042	194,159	181,878	(6.3)
Other Sales	9,399	24,184	41,379	47,615	33,819	35,558	24,614	(30.8)
Total Sales of Gas	159,132	489,021	630,299	602,391	608,553	581,692	576,706	(0.9)
Other Operating Revenues	(372)	997	6,180	6,646	6,792	13,920	29,081	108.9
Total Gas Operating Revenues	\$158,760	\$490,018	\$636,479	\$609,037	\$615,345	\$595,612	\$605,787	1.7 %
Expense Items:								
Production Expense	\$81,995	\$367,455	\$481,468	\$433,149	\$418,225	\$387,164	\$380,811	(1.6)%
Transmission Expense	264	395	2,671	2,861	2,807	3,115	3,498	12.3
Distribution Expense			19,402	20,267	21,421	23,006	26,272	14.2
Customer Accounts Expense			11,794	13,180	15,216	14,861	15,408	3.7
Sales Expense	1,258	2,396	4,253	5,271	5,362	5,816	6,196	6.5
Administrative & General Expense			22,804	25,508	29,245	32,241	36,014	11.7
Depreciation Expense	7,660	10,597	14,901	16,436	18,546	20,451	22,578	10.4
Natural Gas Storage			1,763	1,992	2,187	2,779	2,990	7.6
Customer Service & Informational Expense			415	446	531	628	670	6.7
Other Expense	20,323	34,520	0	0	0	45	63	40.0
Total Operating Expenses Before Taxes	\$111,500	\$415,363	\$559,471	\$519,110	\$513,540	\$490,106	\$494,500	0.9 %
State Taxes:								
Income Tax	\$1,286	\$1,353	\$881	\$1,564	\$3,592	\$3,138	\$3,211	2.3 %
Gross Receipts Tax	9,602	29,022	20,894	18,802	19,851	19,056	19,454	2.1
Property Tax	2,750	3,128	3,958	4,201	4,049	4,729	4,230	(10.6)
Other State Taxes	66	197	98	1,529	156	277	1,145	313.4
Total State Taxes	\$13,704	\$33,700	\$25,831	\$26,096	\$27,648	\$27,200	\$28,040	3.1 %
Federal Taxes:								
Income Tax	\$9,053	\$6,345	\$3,328	\$10,335	\$21,446	\$14,182	\$15,538	9.6 %
Provision for Deferred Taxes	2,354	3,435	7,283	9,470	2,500	3,616	5,104	41.2
Income Tax Deferred in Prior Years	(13)	(9)	(12)	(12)	(3,182)	628	(2,094)	(433.4)
Investment Tax Credit	208	2,637	2,920	(148)	(935)	(1,020)	(971)	(4.8)
Payroll, Unemployment & Other Federal Taxes	866	1,461	2,897	1,581	3,339	3,541	3,914	10.5
Total Federal Taxes	\$12,468	\$13,869	\$16,416	\$21,226	\$23,168	\$20,947	\$21,491	2.6 %
Total State & Federal Taxes	\$26,172	\$47,569	\$42,247	\$47,322	\$50,816	\$48,147	\$49,531	2.9 %
Total Operating Expenses	\$137,672	\$462,932	\$601,718	\$566,432	\$564,356	\$538,253	\$544,031	1.1 %

N/C = Not Comparable

FIGURE NO. 5-168
CLASS A GAS COMPANIES
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS
For the Years 1975, 1980, 1985, 1986, 1987, 1988, and 1989
(NC Data Except as Noted)

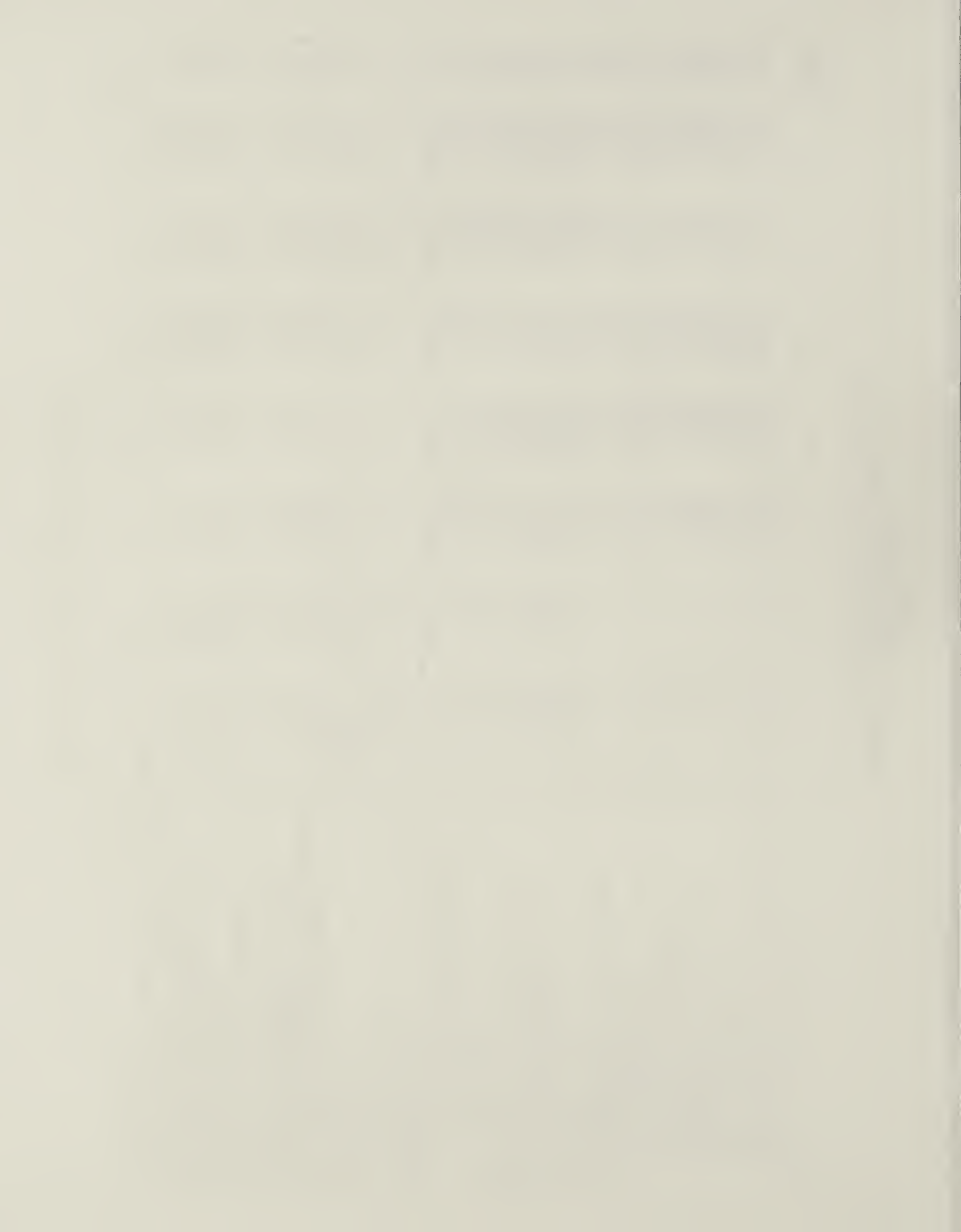
ITEM	1975	1980	1985	1986	1987	1988	1989	% Change 1989-1988
Net Operating Income	\$21,088	\$27,086	\$34,761	\$42,605	\$50,989	\$57,359	\$61,756	7.7 %
Other Income & Expenses								
Other Income	\$438	\$3,013	\$2,320	\$2,174	\$4,398	\$5,584	\$6,231	11.6 %
Allowance for Funds Used During Construction	484	99	1,191	1,391	682	1,046	914	(12.6)
Deductions from Income	53	256	1,103	1,192	1,910	2,717	2,905	6.9
Total Other Income & Expense	\$869	\$2,856	\$2,408	\$2,373	\$3,170	\$3,913	\$4,240	8.4 %
Fixed Charges								
Interest on Funded Debt	\$7,790	\$9,348	\$14,689	\$17,552	\$17,731	\$17,715	\$21,120	19.2 %
Other Fixed Charges	948	2,915	5,462	3,527	3,533	5,273	6,619	25.5
Allow. for Borrowed Funds Used During Construction			(485)	(715)	(178)	(267)	(377)	41.2
Total Fixed Charges	\$8,738	\$12,263	\$19,666	\$20,364	\$21,086	\$22,721	\$27,362	20.4 %
Extraordinary Items			458	0	0	0	\$0	0.0 %
Net Income	\$13,219	\$17,679	\$17,961	\$24,614	\$33,073	\$38,551	\$38,634	0.2 %
BALANCE SHEET (000s):								
Utility Plant in Service	\$280,163	\$379,473	\$563,715	\$624,759	\$673,449	\$759,090	\$847,069	11.6 %
Construction Completed Not Classified	0	0	2,078	2,623	2,845	2,775	7,319	163.7
Leased to Others	23	23	19	19	19	19	19	0.0
Held for Future Use	736	250	1,304	1,322	356	355	418	17.7
Construction Work in Progress	10,452	6,036	17,589	9,600	22,754	25,485	20,249	(20.5)
Acquisition Adjustments	(112)	(20)	450	450	450	450	450	0.0
Total Utility Plant	\$291,262	\$385,762	\$585,155	\$638,773	\$699,873	\$788,174	\$875,524	11.1 %
Depreciation Reserve	70,874	115,234	177,459	192,276	214,825	232,843	253,086	(100.0)
Net Utility Plant	\$220,388	\$270,528	\$407,696	\$446,497	\$485,048	\$555,331	\$622,438	12.1 %
Customer Accounts Receivable			\$65,344	\$64,653	\$57,167	\$67,853	\$78,082	15.1 %
Accounts Receivable--Associated Companies			8,443	7,935	8,555	11,208	9,104	(18.8)
U.S. Government Securities			0	0	0	0	0	0.0
Temporary Cash Investments			0	1,001	701	1	20,818	N/C
Gas Stored Underground			23,031	21,215	21,148	25,009	21,595	(13.7)
Liquidified Natural Gas Stored			8,552	7,832	5,953	7,574	3,776	(50.1)
Deferred Cost of Purchased Gas			9,295	6,917	5,087	6,624	11,904	79.7
Investment in Subsidiary Company			6,549	7,407	7,870	8,745	10,375	18.6
Prepayments			2,326	2,564	2,513	2,406	1,969	(18.2)
Miscellaneous Current & Accrued Assets			10,875	10,548	8,658	10,045	14,402	43.4
Other Assets			24,884	21,783	20,861	22,394	19,179	(14.4)
Total Assets (A)			\$566,995	\$598,352	\$623,561	\$717,190	\$813,642	13.4 %

(A) For the years prior to 1984 there was no allocation of these items to the North Carolina operations.

FIGURE NO. 5-16 C
CLASS A GAS COMPANIES
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATIST
For the Years 1975, 1980, 1985, 1986, 1987, 1988 and 1989
(NC Data Except as Noted)

ITEM	1975	1980	1985	1986	1987	1988	1989	% Change 1989-1988
Liabilities & Stockholder's Equity (A):								
Preferred Stock				\$4,727	\$3,852	\$2,977	\$2,102	(29.4)%
Common Stock			\$5,602	9,492	19,112	19,550	19,921	1.9
Other Paid-in Capital			27,737	29,989	46,342	48,977	52,440	7.1
Premium on Capital Stock			29,458	45,039	47,347	62,166	66,218	6.5
Less Discount on Capital Stock			0	0	0	0	0	0.0
Less Capital Stock Expense			(\$331)	(\$331)	(\$338)	(\$338)	(338)	0.0
Retained Earnings			84,562	89,915	94,552	109,268	123,269	12.8
Other Capital			0	0	0	0	0	0.0
Total Stockholder's Equity			\$156,180	\$178,831	\$210,867	\$242,600	\$263,612	8.7 %
Total Long-Term Debt			\$154,690	\$180,749	\$181,382	\$212,548	\$262,099	23.3 %
Short-Term Obligations			0	0	0	0	0	0.0
Accounts Payable			65,688	61,963	53,401	70,822	73,815	4.2
Taxes Accrued			3,397	13,307	12,224	9,947	12,199	22.6
Matured Long-Term Debt			3,195	2,362	2,362	2,289	2,289	0.0
Refunds Payable			2,356	(33)	3,565	2,869	13,631	375.1
Accumulated Deferred Income Taxes			56,417	64,665	64,392	66,990	73,326	9.5
Accumulated Deferred Investment Tax Credits			22,297	22,093	21,055	19,990	18,963	(5.1)
Miscellaneous Current & Accrued Liabilities			3,724	1,612	5,745	12,833	46,963	266.0
Operating Reserves			184	120	0	822	1,189	44.6
Other Liabilities			98,867	72,683	68,568	75,480	45,556	(39.6)
Total Liabilities			\$410,815	\$419,521	\$412,694	\$474,590	\$550,030	15.9 %
Total Liabilities & Stockholder's Equity (A)			\$566,995	\$598,352	\$623,561	\$717,190	\$813,642	13.4 %
SYSTEMWIDE DATA:								
BALANCE SHEET ITEMS (000s):								
Long-Term Debt	\$146,661	\$148,905	\$202,452	\$241,276	\$234,440	\$276,167	\$262,099	(5.1)%
Retained Earnings	\$48,294	\$72,006	\$106,619	\$114,264	\$116,274	\$135,036	\$117,425	(13.0)%
Total Capitalization	\$258,189	\$299,888	\$399,488	\$474,632	\$498,462	\$586,707	\$519,867	(11.4)%
Long-Term Debt % of Total Capitalization	56.8%	49.7%	50.7%	50.8%	47.0%	47.1%	50.4%	7.1 %
Average Number of Common Shares Outstanding (Actual)	7,115	8,432	9,303	14,532	19,749	22,947	23,540	2.6 %
Earnings Per Average Common Shares Outstanding	\$1.99	\$2.37	\$2.11	\$2.03	\$2.05	\$2.03	\$1.81	(10.8)%
(After Preferred Dividends)								
CUSTOMER AND MISCELLANEOUS DATA (NC DATA):								
Average Annual Use--Residential Customers (DTs)	95	97	74	78	82	85	80	(5.9)%
Total Residential Customers	255,339	294,343	348,331	367,393	399,056	413,519	448,928	8.6 %
Grand Total--All Type Customers	314,563	349,298	411,858	434,010	469,557	486,029	525,315	8.1 %
Average Number Full-Time Employees	1,764	2,067	2,404	2,697	2,577	2,646	2,789	5.4 %
Total Salaries and Wages Paid Employees (\$000s)	\$17,216	\$33,085	\$53,141	\$59,957	\$62,080	\$67,940	\$75,488	11.1 %
Average Annual Compensation Per Employee	\$9,760	\$16,006	\$22,105	\$22,231	\$24,090	\$25,676	\$27,066	5.4 %

(A) For the years prior to 1984 there was no allocation of these items to the North Carolina operations.
N/C = Not Comparable





VI. The Communications Industry

Telephone, Western Union, Regular and Cellular Radio Common Carriers

FIGURE NO. 6-1

LOCAL EXCHANGE TELEPHONE COMPANIES UNDER THE JURISDICTION OF
THE NORTH CAROLINA UTILITIES COMMISSION AS OF DECEMBER 31, 1990

ALLTEL-Carolina, Inc.
P. O. Box 625
Matthews, N. C. 28106
MR. STEPHEN K. MAGINNIS, PRESIDENT

Barnardsville Telephone Company
P. O. Box 22995
Knoxville, TN 37933-0995
MR. DAVID B. HILL, PRESIDENT

Carolina Telephone & Telegraph Co.
720 Western Blvd.
Tarboro, N. C. 27886
MR. D. W. ALLEN, V.P.-ADMIN.

Central Telephone Company
P. O. Box 2308
Hickory, N. C. 28601
MR. LARRY B. HOUCK, VICE-PRESIDENT

Citizens Telephone Company
P. O. Box 1137
Brevard, N. C. 28712
MR. C. W. PICKELSIMER, JR., V.P.

Concord Telephone Company
P. O. Box 227
Concord, N. C. 28025
MR. PHIL WIDENHOUSE, EXEC. V.P.

Contel of North Carolina, Inc.
P. O. Box 655
Weaverville, N. C. 28787
MR. JOHN A. FEASTER, PRESIDENT

Contel of Virginia, Inc.
1108 East Main Street, Suite 1108
Richmond, Virginia 23219
MR. DALLAS H. REID, DIRECTOR

Ellerbe Telephone Company
Drawer 220
Ellerbe, N. C. 28338
MR. J. M. BENNETT, PRESIDENT

GTE South, Inc.
P.O. Box 1412
Durham, N. C. 27702
MR. TERRY M. DESMOND, GOVT. REL. MGR.

Heins Telephone Company
P.O. Box 625
Matthews, N. C. 28106
MR. STEPHEN K. MAGINNIS, PRESIDENT

Lexington Telephone Company
P. O. Box 808
Lexington, N. C. 27292
MR. RICHARD G. REESE, PRESIDENT

Mebane Home Telephone Company
P. O. Box 9
Mebane, N. C. 27302
MR. W. R. HUPMAN, JR., PRESIDENT

North State Telephone Company
P. O. Box 2326
High Point, N. C. 27261
MR. ROYSTER M. TUCKER, JR., PRESIDENT

Pineville Telephone Company
118 College Street
Pineville, N. C. 28134
MR. CHARLES YANDELL, PRESIDENT

Randolph Telephone Company
P. O. Box 609
Liberty, N. C. 27298-0609
MR. W. M. FITZGERALD, PRESIDENT

Saluda Mountain Telephone Co.
P. O. Box 22995
Knoxville, TN 37933-0995
MR. DAVID B. HILL, PRESIDENT

Sandhill Telephone Company
P.O. Box 625
Matthews, N. C. 28106
MR. STEPHEN K. MAGINNIS, PRESIDENT

Service Telephone Company
P. O. Box 22995
Knoxville, TN 37933-0995
MR. DAVID B. HILL, PRESIDENT

Southern Bell Tel. & Tel. Company
P.O. Box 30188
Charlotte, N. C. 28230
MR. J. B. RAY, JR., VICE-PRESIDENT

FIGURE NO. 6-1 CONTINUED

LONG DISTANCE CARRIERS OPERATING UNDER THE JURISDICTION OF THE
NORTH CAROLINA UTILITIES COMMISSION AS OF DECEMBER 31, 1990

MAJOR:

AT&T Communications of the Southern
States, Inc.
P.O. Box 2148
Charlotte, N. C. 28211
MS. KATHLEEN CUMMINGS, ASST. V.P.

OTHER:

Business Telecom, Inc.
120-1/2 West Hargett Street
Raleigh, N. C. 27602

Cable & Wireless Communications, Inc.
1919 Gallows Road
Vienna, Virginia 22180

Carolina Network Corporation
316 East Morehead Street
Charlotte, N. C. 28234

Carolina Telephone Long Distance, Inc.
P. O. Box 1195
Tarboro, N. C. 27886

Econowats, Inc.
219 N. Second Street
Wilmington, N. C. 28401

Metromedia Long Distance, Inc.
1 Harmon Plaza
Secaucus, New Jersey 07096

Military Communications Center, Inc.
6436 City West Parkway, Suite 300
Eden Prairie, Minnesota 55344

MCI Telecommunications Corporation
400 Perimeter Center Terrace, N. E.
Atlanta, Georgia 30346

Mid Atlantic Telephone Company
1106 East Market Street
Greensboro, N. C. 27401

Phone America of Carolina, Inc.
P. O. Box 241346
Charlotte, N. C. 28224

SouthernNet of North Carolina
780 Douglas Road, Suite 800
Atlanta, Georgia 30342

SouthernNet Services, Inc.
780 Douglas Road, Suite 800
Atlanta, Georgia 30342

Tri-Tel Communications
16-D Oak Branch Drive
Greensboro, N. C. 27404

US Sprint Communications Company
3065 Hargrove Road
Atlanta, Georgia 30339

Wynn Hill
206 East Center Street
Lexington, N. C. 27292

A. BRIEF REVIEW OF THE TELEPHONE INDUSTRY--GENERAL

At December 31, 1989, there were 19 telephone companies, one major interexchange carrier, 16 long distance carriers, and one telephone municipality under the jurisdiction of the North Carolina Utilities Commission. Several of these companies also have operations in other states.

The statistical comparisons of the twenty local exchange telephone companies are shown in the schedules following the narrative section of the chapter and include data through 1989 for the following companies:

Alltel-Carolina Telephone Company
 Carolina Telephone Company
 Barnardsville Telephone Company
 Carolina Telephone & Telegraph Co.
 Central Telephone Company
 Citizens Telephone Company
 Concord Telephone Company
 Contel of North Carolina, Inc.
 Contel of Virginia, Inc.
 Ellerbe Telephone Company
 GTE South, Inc.
 Heins Telephone Company
 Lexington Telephone Company
 Mebane Home Telephone Company
 North State Telephone Company
 Pineville Telephone Company
 Randolph Telephone Company
 Saluda Mountain Telephone Company
 Sandhill Telephone Company
 Service Telephone Company
 Southern Bell Telephone & Telegraph Company.

However, more recent data was available and utilized for various schedules. The schedule headlines identify the time period covered.

A list of the Telephone Holding Companies and their wholly owned or controlled operating telephone companies, which were under Commission regulation as of December 31, 1989, is as follows:

Parent Holding Company	Operating Telephone Company
Bell South Corp.	Southern Bell Tel. & Tel. Company
Centel Corp.	Central Tel. Co.
Contel Corp.	Contel of North Carolina, Inc. Contel of Virginia, Inc. (Serves Knotts Island, N.C.)
GTE Corp.	GTE South, Inc.
Alltel Corp.	ALLTEL Carolina Telephone Company
	Heins Tel. Co.
	Sandhill Tel. Co.
Telephone & Data Systems, Inc.	Barnardsville Tel. Service Tel. Company
United Telecommunications, Inc.	Carolina Tel. & Telegraph Co.

Long Distance Competition

The Commission authorized full intrastate interLATA toll competition by both facilities-based and resale interchange carriers (IXCs) and intraLATA toll competition through the resale of interLATA WATS, 800 service, MTS, FX-like, and private line-like services leased from the local exchange companies (LECs). Figure No. 6-1 lists all of the LECs authorized to operate by the Utilities Commission as of December 31, 1989. IntraLATA toll calls completed over any other facilities remain subject to payment of compensation to the LECs at a rate of 4.72 cents per conversation minute. During 1989 the Commission made no changes in the level of intrastate toll competition previously authorized.

The Commission rules governing the filing of rates and tariffs by the certified IXCs, allows competing carriers (except AT&T) to raise or lower their rates on 14 days' notice to the Commission. The 14 days' notice also applies to rate increases to affected subscribers. AT&T is allowed to decrease rates on 14 days' notice to the Commission and to increase rates up to AT&T's capped rates on 14 days' notice

to the Commission and to the affected subscribers. At the end of 1989, seventeen (17) IXC's have been certified to operate in North Carolina, including one carrier that is a wholly owned subsidiary of an LEC. There were three IXC applications for certification pending at the end of 1989.

Access Charges

On April 8, 1988, the Commission issued an order establishing a plan allowing Local Exchange Companies (LEC's) to bill and keep intrastate interLATA access charges, effective July 1, 1988. A uniform terminating carrier common line charge was established for all companies. The Commission concluded that LECs can not exceed Southern Bell's originating carrier common line charge and established a high cost fund to provide revenue support to those LEC's whose originating carrier common line charges (OCCLC's) would otherwise exceed Southern Bell's. In July 1989 all LEC's filed to change their OCCLC's and in all but one case, the OCCLC was decreased. The high cost additive was also reduced.

In the universal WATS access lines (UWALS) hearings, the Commission concluded that effective February 15, 1988, UWALS may be used in both a bijurisdictional (interstate and intrastate interLATA) and a bidirectional (WATS and 800 service) mode.

Depreciation Studies

The telecommunications industry's structure and operating environment has been altered as a result of the Federal Communications Commission's (FCC) decisions and technical changes. The cumulative effect of the FCC decisions deregulating the industry and the rapidly occurring technological changes have caused earlier retirements of telephone company investments. Thus, depreciation represetation requests by telephone companies have increased in frequency and in dollar amounts. In 1989 the

Commission addressed depreciation represetation rate studies totaling \$62.3 million for four companies.

Alternate Operator Services (AOS)

The AOS companies are a new type entrant into the telecommunications industry. The AOS companies provide service by signing contracts with entities whereby all operator-assisted calls are routed to the AOS company for completion. Many AOS companies appear to be handling local and direct dialed long-distance calls as well. These companies are primarily competing with AT&T's operator service offerings available for hotel/motels, hospitals, and customer-owned pay telephones. The AOS companies pay commissions on operator-assisted calls from patrons of the hotel/motels, hospitals, or customer-owned pay telephones. This incentive was not being offered by AT&T in 1989.

In comparison with AT&T and other interexchange carriers, the AOS companies tend to charge much higher rates. In October of 1988, the Commission issued an order finding that intrastate certification of AOS providers was not in the public interest. As a result of this decision AOS operators may not legally handle long distance calls which originate and terminate within the State.

Shared Use and Resale

The North Carolina General Assembly ratified a bill in 1987 authorizing the Commission to adopt procedures for allowing shared use and/or resale of any telephone service provided to persons who occupy the same adjoining premises. Due to the legislation enacted by the General Assembly in 1989, the Commission established rules for sharing and resale by non profit colleges and universities and their affiliated medical centers. The legislation required that rates for lines or trunks being shared or resold be on a measured basis where available

or otherwise on a message basis.

The Commission order adopting procedures requires all telephone companies to charge rates to resellers which are 80% of the comparable flat rate, plus five cents for each additional minute with a 50% off-peak discount. The alternative message rates are 80% of the comparable flat rate, plus 12 cents per message. Entities which provide service exclusively to the exception group, as identified by the Legislature, are exempted from the measured or message rates as long as they only share service.

Cocots

In 1989 the Commission issued 125 special certificates authorizing the sale of public telephone access service to end-users. Over the years the total number of special certificates issued is 520, with 278 of these still certified at year end. Anyone can own and operate a coin operated telephone (COCOT).

Due to some COCOT service providers routing telephone calls to uncertified long distance carriers which overcharged for their service, the Commission required the local exchange telephone companies (LECs) to cease and desist from providing billing and collection services to any uncertified interexchange carrier (IXC).

In 1989 other matters addressed included the provision of facsimile service and the provision of automated collect service by the COCOT providers. On June 14, 1989, the Commission issued an Order Initiating Rulemaking on COCOT-FAX Services and Promulgating Interim Rule, which requires any COCOT instrument with a facsimile machine to display both a telephone number for the end-user to call for repair service and the price per page to be charged for facsimiles.

Deregulation of Customer Premises Equipment

All North Carolina telephone terminal equipment was deregulated on

January 1, 1988. This action followed the implementation of the Utility Commission's Deregulation Plan which was certified by the Federal Communication Commission (FCC) in late 1985. The plan required all local exchange companies (LEC's) to deregulate their embedded customer premises equipment (CPE) on December 31, 1987, and transfer their embedded investments to deregulated operations at the higher of net book or economic value.

B. CUSTOMER GROWTH AND IMPACT ON PLANT INVESTMENT

The regulated utilities had a total of 3,101,694 access lines in service as of December 31, 1989. This is an increase of 3.7% from 1988 with 2,985,528 access lines. Figure No. 6-1A shows total telephones by companies for the years 1960, 1965, 1970, 1980, 1985, and 1990. Figure No. 6-2 shows access lines for the years 1988 and 1989. In 1982 the telephone industry changed its system of reporting the number of telephones served by each company to the number of access lines. For a definition of access line see Figure No. 6-3. In 1989 Southern Bell Telephone and Telegraph Company served 52% and Carolina Telephone and Telegraph Company served 24% of the total customers in North Carolina.

The installation of additional access lines required additional investment. For example, in installing an additional access line, provisions must be made for central office equipment, circuits, and lines to accommodate the traffic potential of the installation. The telephone companies generally attempt to engineer for a five to seven year growth period in outside cable plant facilities and for a one to two year growth period in central office equipment. Unlike other industries, increased volume and increased installations do not necessarily mean increased profits for the telephone utilities. In many instances increased volume can mean less net earnings where the unit cost of servicing the

investment exceeds additional unit revenue derived. This is particularly true in sparsely populated areas requiring high investment per line. The same unit profit squeeze may also be evident in meeting demands for higher grades of service; for example, because of rate differentials where a subscriber who had been receiving four-party service asks for and receives one-party service, the increased revenue per unit may not keep pace with the additional investment and expense.

C. DEMANDS AND QUALITY OF SERVICE

The telephone companies in North Carolina for several years have been meeting demands for service. However, as more and more telephone service is extended throughout the State, the overall problem changes somewhat from satisfying demands for service, on which the Commission and the companies have placed special emphasis, to satisfying demands for better quality and upgraded service. In 1988 the Commission decided to establish uniform quality of service objectives to be used in evaluating the adequacy of the service being provided by the telephone companies. In 1989 the Public Staff made on-sight investigations of two telephone exchanges to evaluate the overall quality of service being provided. The Commission included those findings in the Commission's Rules and Regulations which are used in evaluating the adequacy of service provided by telephone companies in North Carolina.

D. EXTENDED AREA SERVICE (EAS)

Extended Area Service is the industry term applied to the extension of local calling from one telephone exchange to and from another exchange without a toll charge being levied. There were twelve (12) requests approved for five (5) companies in 1989 and four (4) requests approved for two (2) companies in 1988.

In addition to the EAS requests, three (3) requests for area transfers

were investigated in 1989 in addition to three (3) boundary change investigations remaining active from 1988. Three (3) of these six (6) requests were approved by the Commission in 1989.

E. TELEPHONE RATES--COMMENTS

Local Exchange Rates

These are the monthly charges for basic telephone service as fixed by the Commission. These rates are divided between residential and commercial telephones and are graduated upward from four-party to single-party service. Local exchange rates for a particular company are fixed on a company/wide basis according to the calling scope of the particular exchange; i.e., the number of main stations and PBX trunks in an exchange which a single subscriber may call without toll charge. These rate groupings are not standard among the companies. Figure No. 6-4 shows rate groupings with rates for the regulated telephone companies.

The practical result of the foregoing "value of service principle" is that a company's subscribers in an urban area will pay a higher monthly local exchange rate than the same company's subscribers in a community having a substantially smaller number of telephones that can be called without a toll charge. Thus unlike electric and natural gas utilities which have standard rates applicable to a customer classification companywide, the telephone companies have different rates for basic service depending upon the telephone population or calling scope in the particular exchange. Telephone rates also vary substantially between companies and states. Figure No. 6-5 shows a thirteen-year history of average North Carolina telephone bills for local service.

Toll Charges

Calls between two separate exchanges are "long distance" or toll charge calls, unless arrangements have

been made for extended area (toll-free) service. IntraLATA toll rates in North Carolina are uniform throughout the State. See Figure No. 6-6 for IntraLATA rates as of January 1, 1991.

Two-and Four-Party Service

Two-party and four-party service is available on a limited basis in the State. On May 15, 1989, North State Telephone Company was granted permission to discontinue residential and business multi-party lines. Contel of North Carolina has also received permission to upgrade its four-party line service to two-party line service. At the end of 1989, 99.6% of the total access lines in North Carolina were one-party line service.

Service Charges

These are the charges made for installing or rearranging access lines. These charges have been increased for some companies in the past few years mostly in rate case proceedings to make them more cost-related. Charges for inside wiring, jack, and equipment work were deregulated on January 1, 1987. Figure No. 6-7 shows some typical charges by selected companies for various services relating to installing an access line.

Special Charges

Certain special equipment requires special rates and special consideration by the Commission. These rates are fixed individually on a case-by-case and company-by-company basis and vary widely because of variances in equipment and operating characteristics.

F. RATE INCREASES APPROVED

In 1989, as in 1988, and 1987, no general rate increases were filed during the year by a communications utility.

G. WESTERN UNION OFFICES

The Western Union Telegraph Company (Western Union), organized in New York in 1851, is the principal subsidiary of Western Union Corporation. Western Union has developed and provides a wide range of communications and related services including network services through Telex I and Telex II, private communications, information handling systems to the government and to industry, money transfer services, and other services such as maintenance under contracts with customers who own or lease terminals and other communications related equipment.

In recent years as large businesses made growing use of their telex and TWX terminal capability for originating telegrams, and as smaller businesses and the general public increasingly availed themselves of telephone convenience for sending their telegrams, the need for independent offices and branches owned by Western Union steadily declined in the United States and in North Carolina. For example, there were 860 such offices in 1971 nationwide and 25 in North Carolina, and in 1989, they had declined to 5 and 0 respectively. Less than 10% of public message traffic is accepted over the counter, and most of that traffic is money order business.

The number of agency or commission offices have remained fairly constant. They are most often small "mom and pop" operations by persons other than employees of Western Union. In 1971, there were 6,913 of these type operators nationwide and 249 in North Carolina.

The following illustrates the number of Western Union offices in the United States and in North Carolina for 1988 and 1989:

	United States		North Carolina	
	<u>1988</u>	<u>1989</u>	<u>1988</u>	<u>1989</u>
Independent Offices & Branches	5	4	0	0
Joint Offices	0	0	0	0
Agency or Commission Offices	12,468	15,043	394	474
Total	12,473	15,047	394	474

Due to the passage of the Record Carrier Competition Act of 1981 (P.L. 97-130), the Utilities Commission no longer regulates the intrastate record services of the Western Union Telegraph Company.

H. RADIO COMMON CARRIERS

There were ten Radio Common Carriers (RCCs) certified to operate in North Carolina at the end of 1989. These RCCs provide two-way mobile telephone service and one-way radio paging service to approximately 15,000 units within the State. The services offered by RCCs generally include automatic dial as well as manual operation for mobile units and pagers. Interconnection with the landline telephone network is provided in order to permit direct communications between landline telephones and RCC mobile/paging units.

The growth of RCC two-way mobile units has been hampered by the limited number of VHF radio channels available from the Federal Communications Commission (FCC). While the demand for RCC service has been increasing in the metropolitan areas, the limited number of radio channels has restricted the number of subscribers an RCC could serve and still maintain an acceptable quality of service. It is anticipated that most future mobile telephone growth will have to be met through the use of higher frequency channels in the 450 MHz or 900 MHz bands.

There have been no general rate increases for radio common carriers since 1982.

I. CELLULAR RADIO TECHNOLOGY

Cellular radio technology has greatly enhanced and improved two-way radio service. Under the "cellular mobile radio service" technology, the number of radio base stations is expanded so that as a two-way mobile radio subscriber moves through the service area, the call is automatically and instantly "handed off" from one base station to another so that a subscriber may originate and terminate calls from any point within the service area. Two or more callers can share the facilities simultaneously. Central switching equipment automatically routes calls through interconnection with the landline telephone network so that mobile-to-land calls can be completed as well as mobile-to-mobile calls. Unlike the conventional two-way calling now offered by most of the mobile radio common carriers in their franchised areas, the "cellular mobile radio" system has a built-in capacity to expand as public demand increases with a grade of service comparable to landline telephone service.

The Federal Communications Commission allocates frequencies, grants facility construction permits, and grants licenses for facilities used in one-way and two-way mobile radio systems. The FCC has identified numerous markets (Cellular Geographic Service Areas [CGSA]) nationwide in which the public demand and need will justify cellular enhancement. Accordingly the FCC has allocated two 20 MHz groups to each market. Initially one license will be available to a wireline carrier and one license to a nonwireline carrier in each market area. There have been nineteen cellular telephone companies issued certificates since the first companies applied in 1984. The nineteen companies include twelve wholesalers/resellers, one wholesaler, and six resellers.

J. SOURCE AND DISPOSITION OF REVENUES--COMMENTS

The telephone companies derived about 38.5% of their revenues from local charges, 15.1% from toll charges, 34.1% from access charges, and 12.3% from miscellaneous services in 1989 compared to 38.6%, 16.1%, 34.2%, and 11.6% in 1988.

The components of the disposition of the revenue dollar as shown in Figure No. 6-9 indicate that for the year 1989 compared to 1988 interest, depreciation, and operating expenses increased while all other disposition components decreased.

K. PLANT INVESTMENTS--COMMENTS

The regulated telephone companies increased gross plant investment in North Carolina 3.9% in 1984, 3.4% in 1985, 4.1% in 1986, 9.5% in 1987, 4.7% in 1988, and 7.7 in 1989. These increases represent investments of \$170 million in 1984, \$152 million in 1985, \$190 million in 1986, \$462 million in 1987, \$250 million in 1988, \$431 million in 1989, bringing the total gross plant investment at December 31, 1989, to \$6,006,277,000.

Figure No. 6-10 shows investment per access line for 1988 and 1989 on a North Carolina industrywide basis, while Figure No. 6-11 shows investment per telephone for the regulated telephone companies for the years 1960, 1965, 1970, 1975, 1980, 1985, and 1990. Figure No. 6-12 shows the investment per access line as of December 31, 1988, and 1989. The information shown on Figure No. 6-12 indicates the variances in this important cost element of providing telephone service, and these variances in plant cost contribute to the variances in telephone rates between companies.

L. STATISTICAL SUMMARY DATA

Total operating revenues of the twenty telephone companies regulated by the Commission increased in 1989 over

1988 by a total of 5.8%. Operating expenses including taxes increased 7.0% and net operating income increased 1.3% for the same period. The average annual wage per telephone employee was \$34,871 in 1989, a 3.9% increase over the previous year. Total salaries and wages paid by the telephone companies were nearly \$557 million in 1989. The total average number of employees decreased in 1989 over 1988 to 15,973 employees. The data for AT&T is not included in any of the above information. A detailed account of these and other selected items is shown in Figure No. 6-13, with AT&T shown separately for 1988 and 1989.

FIGURE NO. 6-1A

TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL TELEPHONES/ACCESS LINES IN SERVICE, EXCHANGES AND DENSITY DATA
AT YEAR END 1960, 1965, 1970, 1975, 1980, 1985 AND 1990

Class A & B	Number of Total Leased Telephones in Service (1965-1980)										Number of Exchanges					Number Phones/Access Lines Per 100 Population				Number Phones/Access Lines Per Square Mile Area				% Households In Area Served Housing Phones				Average Number Employees Per Company											
	Number of Total Access Lines in Service (1965-1990)																																						
	1960	1965	1970	1975	1980	1985	1990	1960	1970	1975	1980	1985	1990	1960	1970	1975	1980	1985	1990	1960	1970	1975	1980	1985	1990	1960	1970	1975	1980	1985	1990	1960	1970	1975	1980	1985	1990		
ALLTEL Carolina Tel. Co. (10)	244,716	348,295	527,190	779,464	982,532	77,878	101,733	137	143	146	146	N/A	N/A	137	143	146	146	N/A	N/A	55	58	59	60	61	N/A	55	58	59	60	61	N/A	55	58	59	60	61	N/A		
Carolina Telephone Co. (1,8)	74,072	101,508	142,461	191,600	241,597	54,130	789,966	39	35	43	43	44	147	39	35	43	43	44	147	41	48	50	50	51	N/A	41	48	50	50	51	N/A	41	48	50	50	51	N/A		
Central Telephone Co. (2)	3,462	5,919	8,704	12,133	15,968	9,293	202,483	3	3	4	4	5	5	3	3	4	4	5	5	56	56	56	56	56	N/A	56	56	56	56	56	N/A	56	56	56	56	56	N/A		
Citizens Telephone Co.	34,992	44,308	56,365	72,353	93,740	79,498	13,981	9	9	9	9	9	9	9	9	9	9	9	9	67	67	67	67	67	N/A	67	67	67	67	67	N/A	67	67	67	67	67	N/A		
Concord Telephone Co.	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Contel of North Carolina	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Ellerbe Telephone Co.	574	743	1,084	1,535	2,003	1,421	91,453	1	1	1	1	1	1	1	1	1	1	1	1	48	48	48	48	48	N/A	48	48	48	48	48	N/A	48	48	48	48	48	N/A		
HE Telephone Co. (3)	43,943	65,363	97,469	124,839	162,054	148,090	155,428	5	5	5	5	5	5	5	5	5	5	5	5	66	66	66	66	66	N/A	66	66	66	66	66	N/A	66	66	66	66	66	N/A		
Heins Telephone Co. (11)	8,284	11,267	15,825	22,130	30,087	20,565	25,235	3	3	3	3	3	3	3	3	3	3	3	3	58	58	58	58	58	N/A	58	58	58	58	58	N/A	58	58	58	58	58	N/A		
Lexington Telephone Co.	9,049	12,006	17,082	22,248	28,825	18,998	24,866	3	3	3	3	3	3	3	3	3	3	3	3	59	59	59	59	59	N/A	59	59	59	59	59	N/A	59	59	59	59	59	N/A		
Mebane Home Phone	1,903	2,571	3,665	5,502	6,877	6,507	6,197	1	1	1	1	1	1	1	1	1	1	1	1	40	40	40	40	40	N/A	40	40	40	40	40	N/A	40	40	40	40	40	N/A		
Mid Carolina Tel. Co. (4, 10)	21,830	33,016	51,810	77,742	108,747	87,661	89,566	24	26	26	26	26	26	24	26	26	26	26	26	36	36	36	36	36	N/A	36	36	36	36	36	N/A	36	36	36	36	36	N/A		
North State Telephone Co.	37,221	48,237	64,662	86,473	113,740	1,641	2,235	3	3	3	3	3	3	3	3	3	3	3	3	52	52	52	52	52	N/A	52	52	52	52	52	N/A	52	52	52	52	52	N/A		
Pineville Telephone Co. (6)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Randolph Telephone Co.	1,026	1,398	2,104	2,847	3,773	2,719	3,266	1	1	1	1	1	1	1	1	1	1	1	1	109	109	109	109	109	N/A	109	109	109	109	109	N/A	109	109	109	109	109	N/A		
Sandhill Telephone Co.	1,341	1,743	2,526	3,624	5,225	4,983	4,202	2	2	2	2	2	2	2	2	2	2	2	2	53	53	53	53	53	N/A	53	53	53	53	53	N/A	53	53	53	53	53	N/A		
Southern Bell Tel. & Tel. (5)	670,413	886,620	1,253,681	1,763,783	2,246,942	1,368,279	1,705,828	92	93	94	95	96	96	92	93	94	95	96	96	83	83	83	83	83	N/A	83	83	83	83	83	N/A	83	83	83	83	83	N/A		
Westco Telephone Co. (9)	16,216	15,489	27,496	42,181	57,578	---	---	13	13	12	11	11	11	13	12	11	11	11	11	36	36	36	36	36	N/A	36	36	36	36	36	N/A	36	36	36	36	36	N/A		
Western Carolina Tel. (7, 9)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Total Class A & B	1,169,042	1,587,192	2,289,005	3,233,099	4,135,884	2,581,509	3,295,077	349	355	368	369	319	321	349	355	368	369	319	321	*67	*43	*45	*93	*60	**92	*60	*74	*93	**88	**91	**92	21,668	17,080	16,033	21,668	17,080	16,033		
Class C & D																																							
Barnardsville Tel. Co.	186	293	354	613	876	931	937	1	1	1	1	1	1	1	1	1	1	1	1	44	47	27	7	7	85	7	7	7	7	7	85	60	N/A	3	3	4			
Contel of Virginia	42	48	184	339	452	381	475	1	1	1	1	1	1	1	1	1	1	1	1	35	35	N/A	30	N/A	N/A	30	N/A	30	30	30	N/A	85	90	N/A	N/A	4	4		
Saluda Mountain Tel. Co. (12)	290	373	520	833	1,320	1,660	1,183	1	1	1	1	1	1	1	1	1	1	1	1	68	75	N/A	19	28	8	19	28	28	28	28	80	80	N/A	N/A	4	4	4		
Service Telephone Co.	367	468	600	915	1,461	1,249	987	1	1	1	1	1	1	1	1	1	1	1	1	58	50	N/A	42	36	N/A	42	36	36	36	36	80	80	N/A	N/A	4	4	4		
Total Class C & D	885	1,182	1,658	2,700	4,109	4,221	3,582	4	4	4	4	4	4	4	4	4	4	4	4	*53	*49	*30	*17	*28	*8	**78	**8	**17	**85	**85	**85	10	11	12	10	11	12		
GRAND TOTAL ALL CLASSES:	1,169,927	1,588,374	2,290,663	3,235,799	4,139,993	2,585,730	3,298,659	353	359	372	373	323	325	353	359	372	373	323	325	*67	*43	*45	*93	*60	**92	*60	*74	*93	**88	**88	**88	21,678	17,091	16,045	21,678	17,091	16,045		
United States Totals*	77,813,000	93,659,000	120,783,300	148,623,000	180,180,000	115,463,932	N/A	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Special Service & Private Lines	22,903	27,216	28,752	41,555	36,753	N/A	N/A	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

*Weighted Average
**Simple Average

- (1) United Telephone Company of the Carolinas, Inc. merged with Carolina Telephone and Telegraph Company November 1, 1978. All figures for United for the period 1960-1978 are included in Carolina Telephone (Docket No. P-7, Sub 625).
- (2) Morris Telephone Company merged with Central Telephone Company November 4, 1965. All figures for Morris for 1965 and prior years are included in Central (Docket No. P-10, Sub 33).
- (3) Central March 6, 1973. All figures for Lee for 1973 and prior years are included in Central (Docket No. P-10, Sub 33).
- (4) Lilesville Telephone Company merged with North Carolina Telephone Company December 31, 1968 (Docket No. P-70). All figures for 1970 and prior years are included in General Telephone of the Southeast (Docket No. P-19, Sub 121).
- (5) Eastern Rowan, Mid-Carolina, Mooresville and Thermal Belt Telephone Companies merged into Mid-Carolina Telephone Company September 30, 1977 (Docket No. P-118, Sub 9). All figures for merged companies are included in Mid-Carolina Telephone Company. North Carolina Telephone Company and Old Town Telephone Systems, Inc. were merged into Mid-Carolina Telephone Company September 30, 1977 (Docket No. P-118, Sub 9). All figures for merged companies prior to 1977 are included in Mid-Carolina.
- (6) Chapel Hill Telephone Company came under Commission jurisdiction on January 1, 1973 (Docket No. P-114) and was sold to Southern Bell Telephone and Telegraph Company April 1, 1977 (Docket No. P-55, Sub 758). All figures for 1976 and prior years are included in Southern Bell.
- (7) Pineville Telephone Company came under Commission jurisdiction January 1, 1976 (Docket No. P-120, Sub 1).
- (8) Coolmeade Telephone Company merged with Western Carolina Telephone Company January 11, 1967 (Docket No. P-58, Sub 59), and was sold to Yadkin Valley Telephone Membership Corporation on May 16, 1978. All figures for Coolmeade for years prior to 1967 are included in Western Carolina.
- (9) Norfolk & Carolina Telephone and Telegraph Co. merged into Carolina Telephone and Telegraph Co. December 27, 1979 (Docket No. P-7, Sub 645). All figures for Norfolk & Carolina prior to 1980 are included in Carolina Telephone.
- (10) Westco Telephone Company and Western Carolina Telephone Company were merged into Continental Telephone of North Carolina in November, 1982 (Docket No. P-128).
- (11) Mid Carolina Telephone Company changed its name to ALLTEL-Carolina, Inc. February 13, 1984 (Docket No. P-118, Sub 32).
- (12) Heins Telephone Company merged with ALLTEL Corporation June 26, 1986 (Docket No. P-26, Sub 94). They still operate as a separate entity.

FIGURE NO. 6-2

TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL ACCESS LINES, EXCHANGES, AND DENSITY DATA
AT YEAR END FOR 1988 AND 1989

Telephone companies	Number of Access Lines		% Change	No. Access Lines Per 100 Population		No. Access Lines Per Square Mile Area		%Households in Area Served Having Phone		Average Number of Employees/Company	
	1988	1989		1988	1989	1988	1989	1988	1989	1988	1989
Class A & B											
ALLTEL Carolina Tel. Co.	90,184	94,711	5.0	29	28	47	48	N/A	N/A	324	328
Carolina Telephone Co.	746,936	771,452	3.3	40	41	39	40	91	91	3,951	4,038
Central Telephone Co.	189,029	197,245	4.3	37	36	60	63	71	74	814	837
Citizens Telephone Co.	13,028	13,530	3.9	43	44	34	36	95	95	90	88
Concord Telephone Co.	72,465	74,716	3.1	45	45	101	106	97	97	288	285
Contel of North Carolina	83,783	86,662	3.4	38	38	21	21	87	88	365	334
Ellerbe Telephone Co.	1,641	1,670	1.8	37	37	6	7	89	90	11	12
GTE South, Inc.	121,093	127,043	4.9	65	48	165	143	92	93	2,408	2,107
Heins Telephone Co.	22,998	23,809	3.5	36	35	50	52	N/A	N/A	86	77
Lexington Telephone Co.	23,734	24,455	3.0	48	49	114	118	92	92	138	131
Mebane Home Telephone Co.	5,828	6,020	3.3	53	55	39	40	95	95	29	30
North State Telephone Co.	84,433	87,237	3.3	50	100	147	152	94	96	418	392
Pineville Telephone Co.	1,346	1,462	8.6	54	58	1,346	1,462	97	97	13	14
Randolph Telephone Co.	3,077	3,187	3.6	41	42	26	84	91	92	14	14
Sandhill Telephone Co.	3,804	3,944	3.7	28	27	46	45	N/A	N/A	8	8
Southern Bell Tel. & Tel. Co.	1,518,713	1,581,006	4.1	49	49	131	131	90	90	7,085	7,264
Totals: Class A & B	2,982,092	3,098,149	3.9	52*	43*	69*	69*	91	92	16,042	15,959
Class C & D											
Barnardsville Telephone Co.	872	914	4.8	29	33	8	9	85	85	4	4
Contel of Virginia	451	466	3.3	32	33	17	17	93	92	N/A	N/A
Saluda Mountain Tel. Co.	1,146	1,165	1.7	49	58	17	33	90	90	7	7
Service Telephone Co.	967	1,000	3.4	38	40	24	25	83	83	3	3
Totals: Class C & D	3,436	3,545	3.2	41*	46*	17*	25*	88	88	14	14
Grand Totals	2,985,528	3,101,694	3.9	41*	42*	67*	62*	89	90	16,056	15,973
United States Totals**	28,557,000	29,848,847	4.5								
=====											
North Carolina as % of											
United States Total											
	10.5%	10.4%									

* Weighted Average; All other averages are Simple Averages.

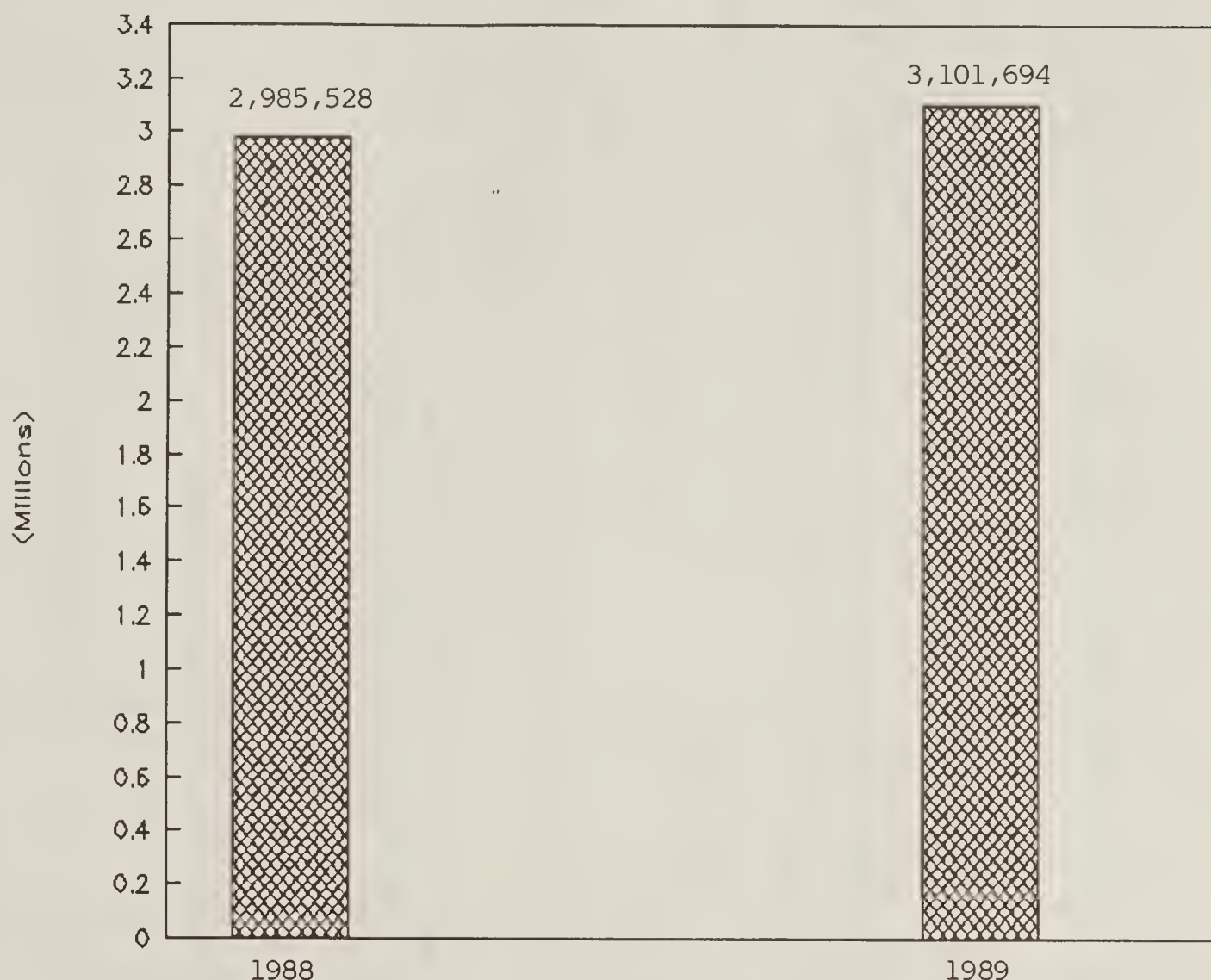
** United States totals from USTA Telephone Statistics.

Information from 1,349 independent Class A telephone companies in 1988 and 1,332 companies in 1989.

FIGURE NO. 6-3

ACCESS LINES IN SERVICE AS OF DECEMBER 31, 1988 and 1989

(NORTH CAROLINA DATA ONLY)



Access Line - A telephone company facility which allows access to and/or from the exchange network. Access line includes the following categories for service: individual line, two-and four-party service, key trunk, rotary line, PBX trunk, centrex trunk, 800 service and outwats (interstate and intrastate), L.D. trunk (toll terminal), foreign exchange, semipublic, public, mobile telephone, and service station (farmer line). The total access lines in service at December 31, 1988 was 2,985,528 compared to 3,101,694 access lines at December 31, 1989.

MONTHLY FLAT RATES BY CALLING SCOPE GROUPINGS FOR ONE-PARTY BUSINESS AND RESIDENTIAL SERVICE
AS OF JANUARY 1, 1991

(a) "Calling Scope" is the number of main station telephone and PBX trunks that can be called without paying a toll charge. The above rates are applicable to customers being served from exchanges having a total number of main stations and PBX trunks within the ranges indicated.

(b) The rate groupings for Contel of North Carolina, Inc. are 0-4,000, 4,001-8,000, 8,001-16,000, 16,001-32,000, and 32,001-up.

(c) This rate is for the group 30,000-150,000.

(d) The rate groupings for Concord Tel. Co. are Less than 25,000, 25,001-35,000, 35,001-45,000, 45,001-55 and 55,001-up.

(e) This rate is for the Durham Exchange Area.

(f) This rate is for the Creedmor Exchange Area.

(g) The first rate grouping for North State Tel. Co. is for the Randleman exchange Area 0-2,300. The second rate grouping for North State Tel. Co. is for the High Point/Thomasville Exchange Area 0-66,000.

(h) Sandhill Tel. Co. rates are grouped 0-20,000 and 20,001-up.

(i) This rate for Southern Bell is for the group 80,000-110,000.

(j) This rate for Southern Bell is for the group 110,001-150,000.

(k) This rate for Southern Bell is for the group 150,001-up.

FIGURE NO. 6-5

NORTH CAROLINA TELEPHONE RATES VS. U.S. AVERAGE MONTHLY TELEPHONE RATES

At December 31	North Carolina Average Monthly Telephone Bills For All Customers		U. S. Average Monthly Telephone Bills For All Customers	
	Local Telephone Service (a)		Local Telephone Service (b)	
1977	\$17.19		\$18.29	
1978	\$17.89		\$19.22	
1979	\$18.01		\$20.09	
1980	\$19.78		\$21.58	
1981 (c)	\$22.41		\$24.70	
1977-1981				
% Change	30.4		35.0	
1982	\$24.40		\$26.79	
1983	\$25.48		\$27.40	
1984	\$22.37 (d)		\$23.22	
1985	\$22.25		\$23.81	
1986 (e)	\$22.30		\$22.34	
1987	\$21.94		\$23.45	
1988	\$21.07		\$23.02	
1989	\$21.67		\$22.84	
1982-1989				
% Change	(11.2)		(14.7)	
1988-1989				
% Change	2.8		(0.8)	

- (a) Average local service revenue per access line.
- (b) This number was calculated with information obtained from Moody's Public Utility Manual and the United States Telephone Association Telephone Statistics Book for 1986 and previous years. The United States Telephone Association Telephone Statistics Books (1988-1990) were used to calculate the 1987 through 1989 numbers.
- (c) For the years 1977-1979, the total number of residential and business main lines for the 13 largest telephone companies were used to calculate the average monthly local telephone bills for local service. For 1980-1981, 12 of the largest telephone companies were used to calculate this figure.
- (d) As a result of the divestiture, the lease revenue from nonregulated terminal equipment was not included in local service revenues for 1984-1989.
- (e) For the years 1982-1983, the total number of residential and business access lines of the 11 largest telephone companies were used to calculate the average monthly local telephone bills for local service. For 1984-1989 12 of the largest telephone companies were used.

FIGURE NO. 6-6

NORTH CAROLINA INTRASTATE/INTRALATA TELEPHONE TOLL RATES
IN EFFECT JANUARY 1, 1991

RATE MILEAGE	DAY	
	INITIAL 1 MINUTE	EACH ADDITIONAL MINUTE
0-10	\$0.16	\$0.10
11-16	0.20	0.14
17-22	0.23	0.16
23-30	0.27	0.19
31-40	0.37	0.23
41-55	0.45	0.28
56-70	0.45	0.28
71-124	0.47	0.33
125-196	0.51	0.35
197-292	0.51	0.35

Additional Charges

The following charges are in addition to the Basic Rate Table above when the call is placed using the following operator services:

a: STATION	Charge Per Call
(a) Customer Dialed Credit Card	\$0.50
(b) All other	1.25
b. PERSON	
(a) All calls	\$2.50

Rate Discounts and Application Periods

	MON	TUES	WED	THURS	FRI	SAT	SUN	DISCOUNTS
8:00 AM to 12:00 Noon	Day Rate Period FULL RATE							Discounts apply equally to total charges for all messages with total fractional amounts rounded down to the lower cent. Discounts do not apply to add on charges for Customer Dialed Credit Card, Other Operator Station or Person Charges.
12:00 Noon to 1:00 PM	Daytime Savings Rate Period 25% Discount							
1:00 PM to 5:00 PM	Day Rate Period FULL RATE							
5:00 PM to 11:00 PM	Evening Rate Period 25% Discount					Eve. 25%		
11:00 PM to 8:00 AM	Night & Weekend Rate Period 50% Discount							

FIGURE NO. 6-7

CHARGES FOR VARIOUS TELEPHONE INSTALLATION SERVICES
IN EFFECT JANUARY 1, 1991

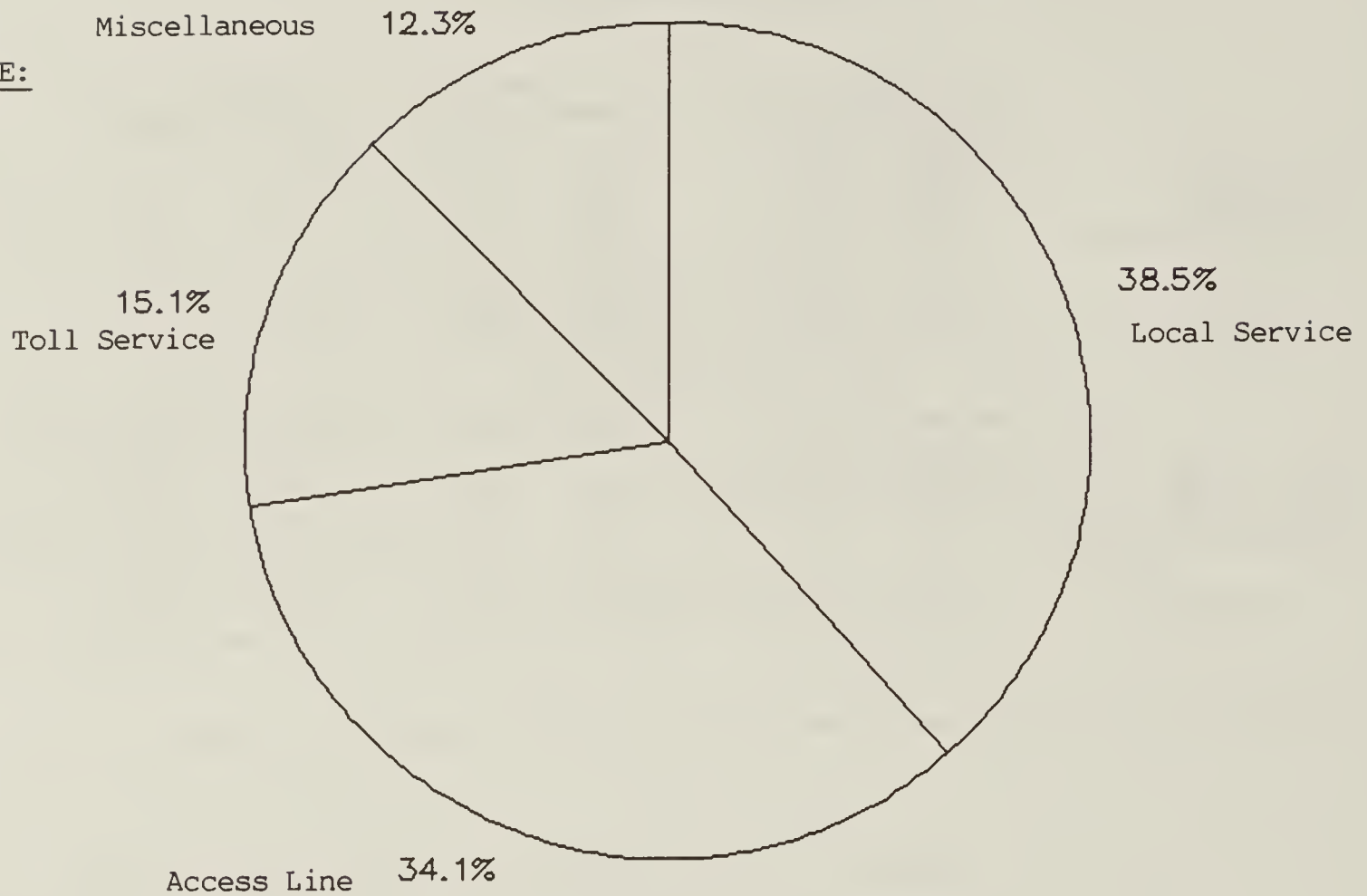
	Carolina		Citizens		Southern Bell	
	Residence	Business	Residence	Business	Residence	Business
Service Order	\$18.26	\$22.97	\$15.93	24.38	\$27.50	\$41.25
Premises Visit	5.92	9.23	7.58	7.58	10.25	10.25
Central Office Work	5.10	5.34	7.28	7.96	15.25	21.25
Totals (1)	\$29.28	\$37.54	\$30.79	\$39.92	\$53.00	\$72.75
	=====		=====		=====	
	Heins		Ellerbe		Contel of N. C.	
	Residence	Business	Residence	Business	Residence	Business
Service Order	\$21.00	\$25.00	\$11.66	\$13.60	\$22.33	\$22.33
Premises Visit	10.00	11.00	4.86	5.83	6.80	6.80
Central Office Work	7.00	8.00	2.91	2.91	21.36	21.36
Totals (1)	\$38.00	\$44.00	\$19.43	\$22.34	\$50.49	\$50.49
	=====		=====		=====	

(1) These are typical charges made for the installation of one main station at a new location.

FIGURE NO. 6-9

SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
TELEPHONE COMPANIES
NORTH CAROLINA OPERATIONS ONLY

SOURCE:



DISPOSITION:

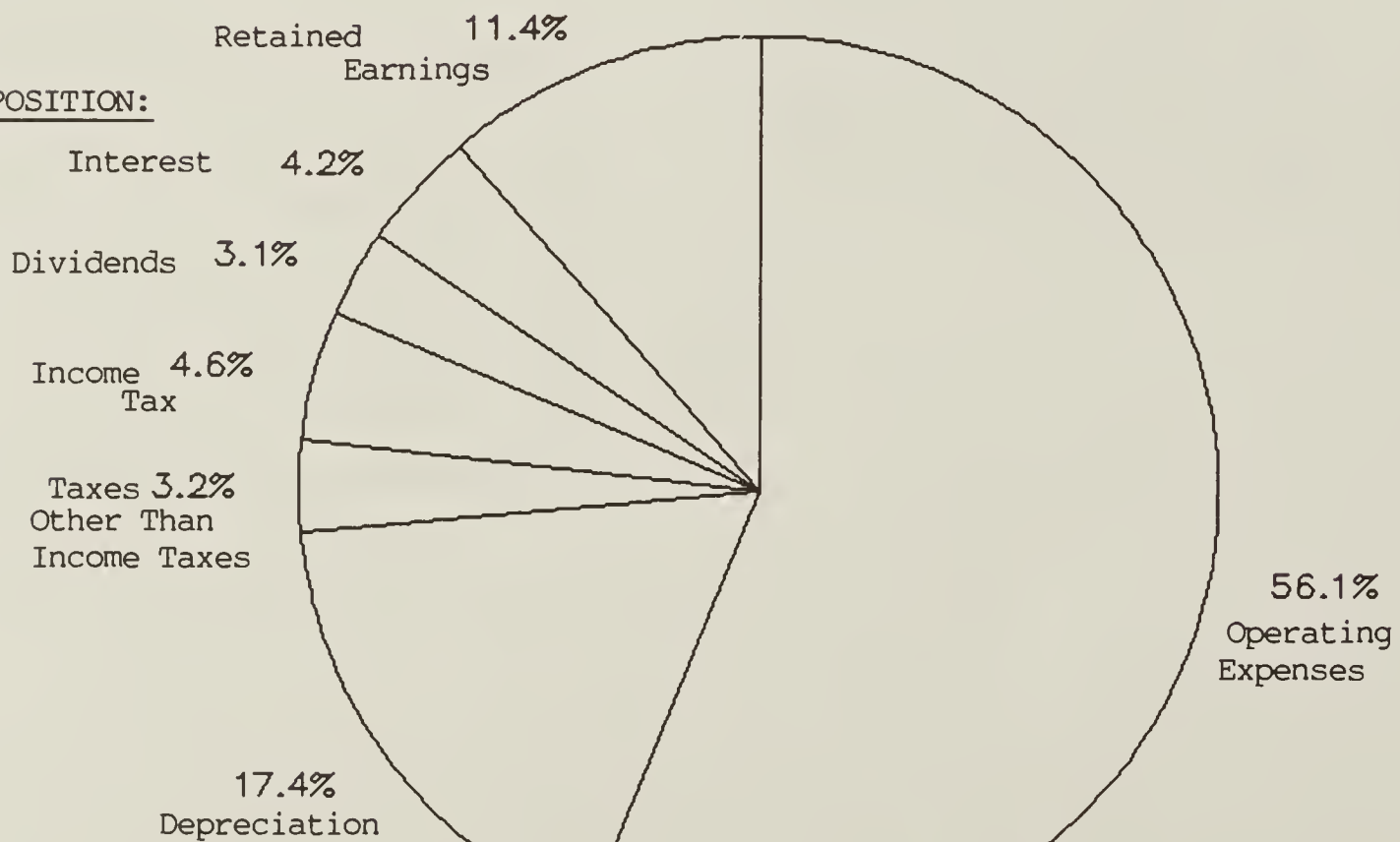


FIGURE NO. 6-10

TELEPHONE COMPANIES' PLANT INVESTMENT PER
ACCESS LINE WITH PERCENT INCREASE 1989 over 1988
(NORTH CAROLINA DATA ONLY)

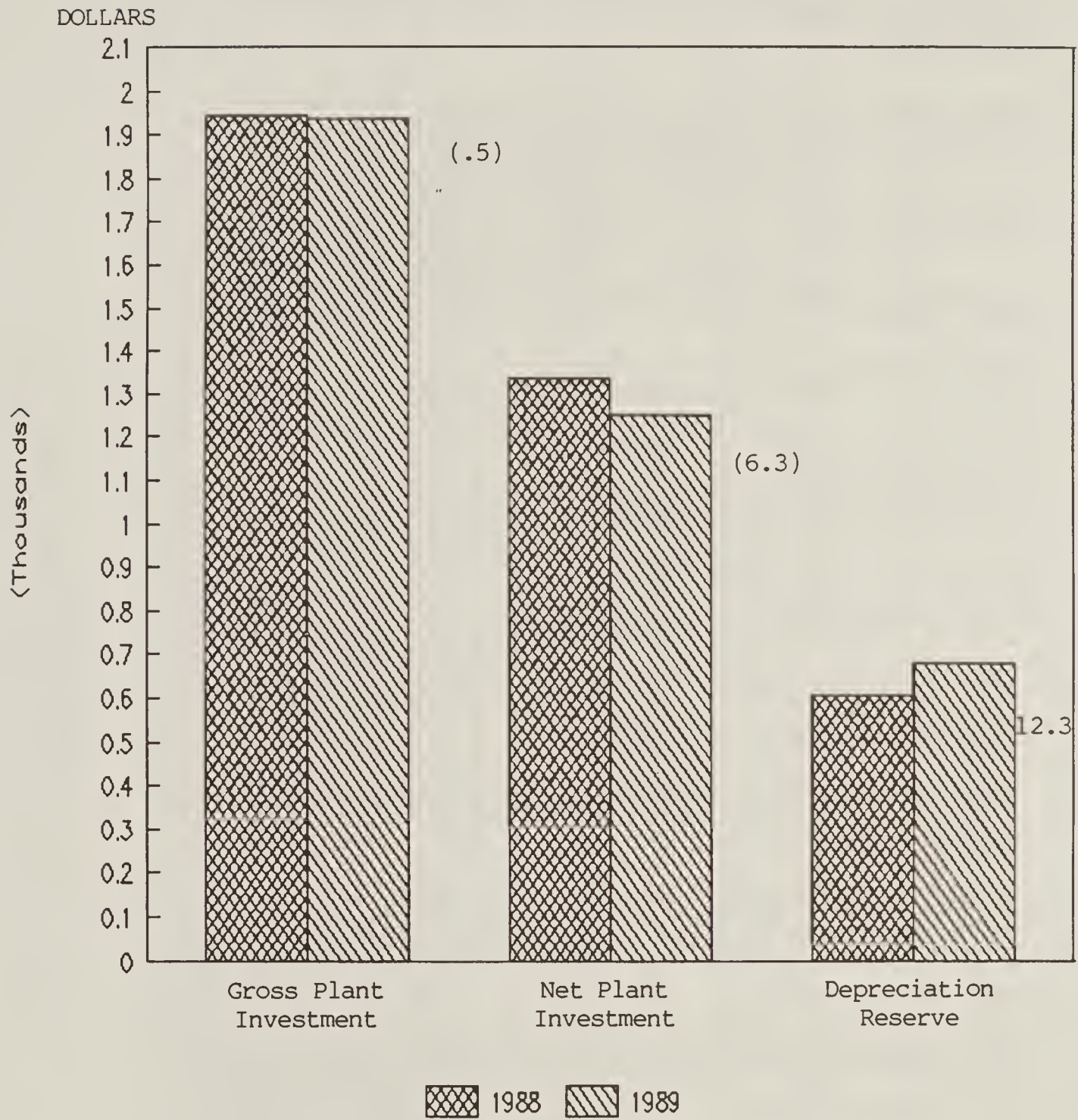


FIGURE NO. 6-11

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS
For the Years Ended December 31, 1960, 1965, 1970, 1975, 1980, 1985 and 1990

Class A & B	1960		1965		1970		1975		1980		1985		1990		1985 (000's)		1990 (000's)		1990 vs 1985	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	%Change/Phone	Net
ALLTEL Carolina Tel. Co. (10)	\$514	\$396	\$557	\$413	\$680	\$525	\$821	\$625	\$971	\$707	\$1,789	\$1,273	\$1,742	\$1,282	\$139,358	\$99,106	\$177,915	\$130,455	27.7	31.6
Carolina Telephone Co. (1,8)	317	260	391	328	522	435	763	638	887	716	2,087	2,044	1,712	1,037	1,129,995	1,106,895	1,352,470	819,251	19.7	(26.0)
Citizens Telephone Co.	330	267	372	305	776	636	892	655	1,085	743	1,836	1,287	1,570	1,017	252,142	176,755	317,957	205,971	26.1	16.5
Concord Telephone Co.	257	203	335	255	423	309	546	395	617	410	2,869	1,969	2,529	1,800	26,665	18,296	35,360	25,172	32.6	37.6
Contel of North Carolina	--	--	--	--	--	--	--	--	--	--	2,146	1,673	2,217	1,577	161,452	125,874	202,793	144,198	14.7	28.0
Ellerbe Telephone Co.	256	172	298	175	692	558	735	537	1,025	749	1,866	1,730	1,694	1,030	2,652	1,038	2,868	1,744	8.1	68.0
GTE South, Inc. (3)	267	203	373	291	739	625	852	691	1,019	798	1,896	1,525	2,465	1,798	280,811	225,851	383,140	279,507	36.4	23.8
Heins Telephone Company (11)	289	235	494	424	482	372	732	572	787	745	1,501	883	1,454	931	30,875	18,164	36,685	23,482	18.8	29.3
Lexington Telephone Co.	297	219	364	255	534	406	630	465	722	507	1,548	973	1,655	1,073	29,415	18,486	41,158	26,678	39.9	44.3
Mebane Home Phone	313	249	513	404	693	511	840	602	980	658	1,111	581	1,736	769	7,229	3,780	10,755	4,764	48.8	26.0
Mid Carolina Tel. Co. (4, 10)	409	336	499	387	620	496	681	515	794	603	--	--	--	--	--	--	--	--	N/COMP	N/COMP
North State Telephone Co.	246	175	321	224	395	273	471	318	567	390	1,006	543	1,192	693	88,205	47,634	106,754	62,086	21.0	30.3
Pineville Telephone Co. (6)	--	--	--	--	--	--	--	--	716	532	1,155	776	1,144	613	1,895	1,274	2,557	1,370	34.9	7.5
Randolph Telephone Co.	382	349	695	591	825	654	797	563	870	577	1,481	923	1,192	1,472	4,027	2,509	6,507	4,809	61.6	91.7
Sandhill Telephone Co.	307	227	446	323	587	401	622	368	703	425	1,167	845	1,678	1,029	5,814	4,212	7,049	4,323	21.2	2.6
Southern Bell (5)	365	294	420	331	507	396	688	427	880	727	1,808	1,425	1,975	1,298	2,473,919	1,950,273	3,369,169	2,214,833	36.2	13.6
Westco Telephone Co. (9)	N/A	N/A	690	597	828	732	992	844	1,221	951	--	--	--	--	--	--	--	--	N/COMP	N/COMP
Western Carolina Tel. Co. (7,9)	451	360	543	412	831	729	1,048	927	1,213	967	--	--	--	--	--	--	--	--	N/COMP	N/COMP
Total Class A & B	\$376	\$298	\$543	\$412	\$562	\$441	\$722	\$576	\$896	\$706	\$1,824	\$1,489	\$1,863	\$1,215	\$4,708,766	\$3,843,190	\$6,138,386	\$4,003,723	30.4	4.2
Class C & D																				
Barnardsville Tel. Co.	\$237	\$191	\$198	\$139	\$266	\$167	\$322	\$227	\$1,016	\$925	\$1,226	\$907	\$2,392	\$1,775	\$1,141	\$844	\$2,241	\$1,663	96.4	97.0
Contel of Virginia	328	280	1,353	1,158	871	724	947	764	1,071	882	1,874	1,388	2,149	1,592	714	529	1,021	756	43.0	42.9
Saluda Mountain Tel. Co. (12)	N/A	N/A	79	29	285	199	402	303	413	274	496	256	907	327	823	425	1,073	387	30.4	(8.9)
Service Telephone Co.	343	302	317	232	418	301	956	811	724	537	1,044	627	1,572	777	1,304	783	1,552	767	19.0	(2.0)
Total Class C & D	\$218	\$184	\$266	\$190	\$394	\$288	\$640	\$516	\$725	\$573	\$943	\$611	\$1,643	\$997	\$3,982	\$2,581	\$5,887	\$3,573	47.8	38.4
GRAND TOTAL ALL CLASSES	\$376	\$298	\$542	\$412	\$562	\$441	\$722	\$576	\$896	\$703	\$1,823	\$1,487	\$1,863	\$1,215	\$4,712,748	\$3,845,771	\$6,144,273	\$4,007,296	30.4	4.2

N/A - Not Available

Note: Per phone data for all years based on number of regular telephones (excluding service and private) in service at end of year.

- (1) United Telephone Company of the Carolinas, Inc. merged with Carolina Telephone Company November 1, 1978. All figures for United for the period 1960-1978 are included in Carolina (Docket No. P-7, Sub 625).
- (2) Morris Telephone Company merged with Central Telephone Company November 4, 1965. All figures for Morris for 1965 and prior years are included in Central (Docket No. P-10, Sub 216). Lee Telephone Company merged with Central March 6, 1973. All figures for Lee for 1973 and prior years are included in Central (Docket No. P-10, Sub 33).
- (3) General Telephone of North Carolina merged with General Telephone of the Southeast December 21, 1970. All figures for 1970 and prior years for General Telephone of N.C. are included in General Telephone of the Southeast (Docket No. P-19, Sub 121).
- (4) Lilesville Telephone Company merged with North Carolina Telephone Company December 31, 1968 (Docket No. P-70). Denton Telephone Company merged with North Carolina Telephone Company April 29, 1966 (Docket No. P-18, Sub 12). Eastern Rowan, Mid-Carolina, Mooresville and Thermal Belt Telephone Companies merged into Mid-Carolina Telephone Company December 10, 1973 (Docket No. P-50, Sub 41). All figures for merged companies are included in Mid-Carolina Telephone Company. North Carolina Telephone Company and Old Town Telephone Systems, Inc. were merged into Mid-Carolina Telephone Company September 30, 1977 (Docket No. P-118, Sub 9). All figures for merged companies prior to 1977 are included in Mid-Carolina.
- (5) Chapel Hill Telephone Company came under Commission jurisdiction on January 1, 1973 (Docket No. P-114) and was sold to Southern Bell Telephone and Telegraph Company April 1, 1977 (Docket No. P-55, Sub 758). All figures for 1976 and prior years are included in Southern Bell.
- (6) Pineville Telephone Company came under Commission jurisdiction January 1, 1976 (Docket No. P-120, Sub 1).
- (7) Cooleemee Telephone Company merged with Western Carolina Telephone Company January 11, 1967 (Docket No. P-58, Sub 59), and was sold to Yadkin Valley Telephone Membership Corporation on May 16, 1978. All figures for Cooleemee for years prior to 1967 are included in Western Carolina.
- (8) Norfolk & Carolina Telephone and Telegraph Company merged into Carolina Telephone and Telegraph Co. December 27, 1979 (Docket No. P-7, Sub 645). All figures for Norfolk prior to 1980 are included in Carolina Telephone.
- (9) Westco Telephone Company and Western Carolina Telephone Company were merged into Continental Telephone of North Carolina in November, 1982 (Docket No. P-128).
- (10) Mid Carolina Telephone Company changed its name to ALLTEL-Carolina, Inc. February 13, 1984 (Docket No. P-118, Sub 32).
- (11) Heins Telephone Company merged with ALLTEL Corporation June 26, 1986 (Docket No. P-26, Sub 94). They still operate as a separate entity.
- (12) Saluda Mountain Telephone Company capital stock sold to Telephone Data Systems, Inc. January 2, 1990 (Docket No. P-76, Sub 24).

FIGURE NO. 6-12

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS*
for the Years Ended December 31, 1988 and 1989
(Dollars in Thousands)

COMPANY	1988			1989			1988			1989			1989 vs 1988		
	Total Plant		Net	Total Plant		Net	Per Access Line		Net	Per Access Line		Net	%Change Per Access Line		Net
	Gross			Gross			Gross			Gross			Gross		
Class A & B Local Exchange:															
ALLTEL Carolina Tel. Co.	\$154,279	\$117,568	\$122,585	\$167,214	\$122,585	\$1,303.65	\$1,710.71		\$1,303.65	\$1,764.40		\$1,293.49	3.1		(0.8)
Carolina Telephone Co.	1,245,832	797,612	797,149	1,309,765	797,149	1,067.85	1,667.92		1,067.85	1,697.79		1,033.31	1.8		(3.2)
Central Telephone Co.	285,573	194,032	197,018	302,338	197,018	1,026.47	1,510.74		1,026.47	1,532.80		998.85	1.5		(2.7)
Citizens Telephone Co.	32,113	24,349	24,939	34,017	24,939	1,868.97	2,464.92		1,868.97	2,514.19		1,843.24	2.0		(1.4)
Concord Telephone Co.	75,507	49,013	51,879	81,972	51,879	784.65	1,041.98		784.65	1,097.11		694.35	5.3		(11.5)
Continental Tel. Co. of N.C.	185,735	147,910	147,220	201,021	147,220	2,041.12	2,563.10		2,041.12	2,319.60		1,698.78	(9.5)		(16.8)
Ellerbe Telephone Co.	2,792	1,813	1,775	2,871	1,775	1,104.81	1,701.40		1,104.81	1,719.16		1,062.87	1.0		(3.8)
GTE South, Inc.	325,998	237,761	245,876	359,314	245,876	1,963.46	2,692.13		1,963.46	2,828.29		1,935.38	5.1		(1.4)
Heins Telephone Co.	34,926	21,172	22,081	37,001	22,081	920.60	1,518.65		920.60	1,554.08		927.42	2.3		0.7
Lexington Telephone Co.	33,494	22,271	24,588	37,716	24,588	938.36	1,411.22		938.36	1,542.26		1,005.44	9.3		7.1
Mebane Home Telephone Co.	9,493	4,754	4,872	10,296	4,872	815.72	1,628.86		815.72	1,710.30		809.30	5.0		(0.8)
North State Telephone Co.	95,909	53,107	56,856	92,320	56,856	628.98	1,135.92		628.98	1,058.27		651.74	(6.8)		3.6
Pineville Telephone Co.	1,911	1,013	1,321	2,378	1,321	752.60	1,419.76		752.60	1,626.54		903.56	14.6		20.1
Randolph Telephone Co.	5,257	3,843	4,310	5,876	4,310	1,248.94	1,708.48		1,248.94	1,843.74		1,352.37	7.9		8.3
Sandhill Telephone Co.	6,367	4,132	4,504	7,183	4,504	1,086.23	1,673.76		1,086.23	1,821.25		1,141.99	8.8		5.1
Southern Bell Tel. & Tel.	3,075,409	2,149,528	2,175,321	3,349,405	2,175,321	1,415.36	2,167.75		1,415.36	2,118.53		1,375.91	(2.3)		(2.8)
Total: Class A & B	\$5,570,595	\$3,829,878	\$3,882,294	\$6,000,687	\$3,882,294	\$1,284.29	\$1,868.02		\$1,284.29	\$1,936.86		\$1,253.10	3.7		(2.4)
Class C & D Local Exchange:															
Barnardsville Telephone Co.	\$1,818	\$1,497	\$1,602	\$2,115	\$1,602	\$1,716.74	\$2,084.86		\$1,716.74	\$2,314.00		\$1,752.74	11.0		2.1
Continental Tel. Co. of Virginia	901	627	698	975	698	1,390.24	1,997.78		1,390.24	2,092.27		1,497.85	4.7		7.7
Saluda Mountain Tel. Co.	1,041	456	311	969	311	397.91	908.38		397.91	831.76		266.95	(8.4)		(49.1)
Service Telephone Co.	1,314	741	824	1,531	824	766.29	1,358.84		766.29	1,531.00		824.00	12.7		7.5
Total: Class C & D	\$5,074	\$3,321	\$3,435	\$5,590	\$3,435	\$966.53	\$1,476.72		\$966.53	\$1,576.87		\$968.97	6.8		0.3
Grand Totals	\$5,575,669	\$3,833,199	\$3,885,729	\$6,006,277	\$3,885,729	\$1,337.13	\$1,944.96		\$1,337.13	\$1,936.45		\$1,252.78	(0.4)		(6.3)
Intra/InterLata and Resale Interexchange Carrier:															
AT&T Communications, Inc. (1)	637,719	227,922	230,401	641,332	230,401	N/APPL.	N/APPL.		N/APPL.	N/APPL.		N/APPL.	N/APPL.		N/APPL.

*Gross plant includes plant under construction and held for future telephone use.

(1) AT&T Communications, Inc. offers long distance service only in North Carolina. There are no access lines.
N/APPL - Not Applicable

FIGURE NO. 6-13A
TELEPHONE COMPANIES
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1975, 1980, 1984, 1985, 1986, 1987, 1988 and 1989
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000's)

ITEM	1975	1980	1984	1985	1986	1987	1988	1989	% Change 1989-1988	AT&T 1988	AT&T 1989	% Change 1989-1988
Number of Companies Included in this Data	25	22	20	20	20	20	20	20		1	1	
INCOME STATEMENT:												
Revenues:												
Local Service Revenues	\$314,135	\$508,105	\$665,970	\$717,080	\$751,785	\$753,327	\$753,726	\$803,825	6.6			
Access Revenues	0	0	440,387	553,559	610,419	654,766	675,217	711,835	5.4			
Toll Service Revenues	326,870	648,251	362,697	323,020	289,140	297,411	317,665	316,186	(0.5)	\$586,349	\$579,176	(1.2)
Misc. Revenues less Uncollectibles (a)	18,412	42,303	122,781	144,708	144,140	142,613	228,323	258,004	13.0	(5,362)	(7,970)	48.6
Total Operating Revenues	\$659,417	\$1,198,659	\$1,591,835	\$1,738,367	\$1,795,484	\$1,848,117	\$1,974,931	\$2,089,850	5.8	\$580,987	\$571,206	(1.7)
Expenses:												
Plant Operations - Specific	\$125,222	\$255,556	\$313,952	\$356,490	\$357,197	\$370,175	\$208,192	\$462,847	122.3	\$15,607	\$25,136	61.1
Plant Operations - Non-Specific							43,088	139,421	223.6	313,132	298,023	(4.8)
Depreciation	107,434	203,084	284,002	358,924	363,651	396,903	420,427	457,851	8.9	25,343	32,955	30.0
Customer Operations	40,847	88,775	95,158	111,304	158,217	92,645	67,115	223,547	233.1	62,236	65,451	5.2
Corporate Operations							111,838	120,136	7.4	34,419	30,133	(12.5)
General Office Salaries & Expenses	25,746	56,269	91,025	114,425	136,513	141,092	480,130	71,292	(85.2)	50,654	43,006	(15.1)
Other Expenses	97,175	153,296	194,800	169,422	126,339	178,681	24,138	27	(99.9)	37,301	47,918	28.5
Total Operating Expenses Before Taxes	\$396,424	\$756,980	\$978,937	\$1,110,565	\$1,141,917	\$1,179,496	\$1,354,928	\$1,475,121	8.9	\$538,692	\$542,622	0.7
Other Income and Expenses								\$597	N/COMP		\$12	N/COMP
Operating Taxes:												
Operating Investment Tax Credits-Net	\$17,650	\$31,643	\$10,301	\$13,191	(\$9,597)	(\$18,394)	(\$25,318)	(\$22,375)	(11.6)	\$3,217	\$159	(95.1)
Operating State and Local Income Tax	8,060	14,397	9,109	27,259	28,541	21,657	25,933	22,319	(13.9)	1,821	3,128	71.8
Provision for Deferred Operating Income Tax-Net							17,195	43,636	153.8	(5,079)	(3,795)	(25.3)
Operating Federal Income Tax	12,702	22,049	102,929	116,041	170,864	140,460	128,394	99,677	(22.4)	6,875	7,381	7.4
Other Operating Taxes	92,686	142,401	174,720	126,095	103,933	138,062	67,721	60,837	(10.2)	11,473	1,756	(84.7)
Total Operating Taxes	\$131,098	\$210,490	\$297,059	\$282,586	\$293,741	\$281,785	\$213,925	\$206,094	(4.6)	\$18,307	\$8,629	(52.9)
Total Operating Expenses	\$527,522	\$967,470	\$1,275,996	\$1,393,151	\$1,435,658	\$1,461,281	\$1,568,854	\$1,679,215	7.0	\$556,999	\$551,251	(1.0)
Net Operating Income	\$131,895	\$231,189	\$315,839	\$345,216	\$359,826	\$386,836	\$406,077	\$411,232	1.3	\$23,988	\$19,967	(16.8)
Non Operating Income and Expenses:												
Dividend and Interest Income	14,218	18,112	25,449	27,268	29,280	24,972	\$4,856	\$2,933	(39.6)	\$828	\$208	(74.9)
Other Non Operating Income							5,593	3,868	(30.8)	(186)	374	(301.1)
Special Charges							(3,181)	(3,004)	(5.6)	(29)	(138)	375.9
Total Non Operating Income and Expenses	\$14,218	\$18,112	\$25,449	\$27,268	\$29,280	\$24,972	\$7,268	\$3,797	(47.8)	\$613	\$444	(27.6)

N/C = Not Comparable

FIGURE NO. 6-138

TELEPHONE COMPANIES
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1975, 1980, 1984, 1985, 1986, 1987, 1988 and 1989
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000's)

ITEM	1975	1980	1984	1985	1986	1987	1988	1989	% Change 1989-1988	AT&T 1988	AT&T 1989	% Change 1989-1988
Non Operating Taxes:												
Non Operating Investment Tax Credits-Net												
Non Operating Federal Income Tax								\$0	N/COMP		(17)	N/COMP
Non Operating State and Local Income Tax								2,345	N/COMP			
Non Operating Other Tax								596	N/COMP			
Provision for Deferred Non Operating Income Tax-Net								(21)	N/COMP			
								16	N/COMP			
Total Non Operating Taxes								\$2,936	N/COMP			
Total Non Operating Expenses								\$6,733	N/COMP	\$613	\$427	(30.3)
Fixed Charges:												
Interest on Funded Debt	\$55,239	\$88,110	\$99,158	\$100,685	\$96,647	\$92,514	\$90,256	\$89,369	(1.0)	\$5,135	3,787	(26.3)
Other Fixed Charges			9,896	9,637	6,915	9,867	11,996	18,629	55.3			
Total Fixed Charges	\$55,239	\$88,110	\$109,054	\$110,322	\$103,562	\$102,381	\$102,252	\$107,998	5.6	\$5,135	\$3,787	(26.3)
Extraordinary & Delayed Items (Net)			601	651	(568)	425	3,109	1,263	(59.4)	(2,839)	536	(118.9)
Net Income	\$90,874	\$161,191	\$232,835	\$262,813	\$284,976	\$309,852	\$314,202	\$311,230	(0.9)	\$16,627	\$17,143	3.1
BALANCE SHEET:												
Assets:												
Telephone Plant in Service	\$2,244,307	\$3,566,961	\$2,197,797	\$3,780,889	\$4,031,830	\$5,218,568	\$5,575,640	\$5,937,175	6.5	\$637,719	\$1,174,963	84.2
Less Depreciation Reserve	466,752	781,122	490,651	1,005,010	1,130,290	1,647,969	1,815,808	2,125,585	17.1	425,522	411,794	(3.2)
Net Telephone Plant in Service	\$1,777,555	\$2,785,839	\$1,707,146	\$2,775,879	\$2,901,540	\$3,570,599	\$3,759,832	\$3,811,590	1.4	\$212,197	\$763,169	259.7
Telephone Plant Under Construction & Held for Public Use	63,021	110,003	(60,090)	29,779	21,637	107,434	65,059	69,102	6.2	12,741	69,850	448.2
Telecommunication Plant Adjustment							1,957	687	(64.9)	588	2,139	263.8
Non-Operating Plant							6,353	4,350	(31.5)	2,396	3,235	35.0
Total Net Telephone Plant	\$1,840,576	\$2,895,842	\$1,647,056	\$2,805,658	\$2,923,177	\$3,678,033	\$3,833,201	\$3,885,729	1.4	\$227,922	\$838,393	267.8
Investments & Funds:												
Investments and Advances to Affiliated Companies			\$71,859	\$96,531	\$115,200	\$117,666	\$20,088	\$19,440	(3.2)	\$3,232	(10)	(100.3)
Other Investments			6,615	8,407	11,148	23,969	17,242	12,594	(27.0)			
Sinking Funds								23	N/C			
Non-Regulated Investments			2,031	5,295	(2,872)	6,019	6,057	6,650	9.8	(5,167)	(46,157)	793.3
Other Non Current Assets							119,182	204,075	71.2			
Total Investments & Funds			\$80,505	\$110,233	\$123,476	\$147,654	\$162,569	\$242,782	49.3	(\$1,935)	(\$46,167)	2,285.9

N/C = Not Comparable

FIGURE NO. 6-13C

TELEPHONE COMPANIES
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1975, 1980, 1984, 1985, 1986, 1987, 1988 and 1989
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000's)

ITEM	1975	1980	1984	1985	1986	1987	1988	1989	% Change 1989-1988	AT&T 1988	AT&T 1989	% Change 1989-1988
Current Assets:												
Cash									(10.2)	\$602	(\$149,113)	(24,869.6)
Special Cash Deposits					\$606	\$8,754	\$560	\$503	15.8			
Working Funds					3,059	481	424	491	(0.7)			
Temporary Cash Investments					513	465	454	451	23.4			
Notes Receivable					71,553	35,928	30,836	38,044	575.0	5	107	2,040.0
Notes Receivable Allowance					19,205	8,614	88	594	N/C			
Accounts Receivable-Telecommunications							271,560	308,660	13.7	71,141	270,270	279.9
Accounts Receivable Allowance-Telecommunications							4,372	(11,462)	(362.2)	308	5,419	1,659.4
Other Accounts Receivable							39,653	38,097	(3.9)	92,448	382,526	313.8
Accounts Receivable Allowance-Other							(306)	59	(119.3)			
Interest & Dividends Receivable							201	1,922	856.2			
Materials and Supplies							40,976	46,878	14.4			
Other Current Assets							25,327	385	237.7	1,207		N/COMP
Total Current Assets								\$424,639	9.2	\$165,711	\$510,046	207.8
Prepaid Accounts & Deferred Charges								\$5,016	48.2	\$2,482	\$5,026	102.5
Total Assets								\$4,558,166	3.9	\$394,180	\$1,307,298	231.7
Stockholder's Equity & Liabilities:												
Stockholder's Equity:												
Capital Stock								\$975,921	(0.4)		\$1	N/COMP
Additional Paid-In Capital								73,962	32.7	92,351	339,398	267.5
Other Capital								37,874	(28.4)			
Retained Earnings								856,453	9.0	42,533	185,428	336.0
Total Stockholder's Equity								\$1,944,210	3.7	\$134,884	\$524,827	289.1
Long-Term Debt:												
Funded Debt (Actually Outstanding)								\$1,094,876	4.5	63,483		N/COMP
Advances From Affiliated Companies								16,476	(28.5)		3	(99.4)
Other Long-Term Debt								9,674	(73.7)	526		
Total Long-Term Debt								\$1,121,026	1.2	\$64,009	\$3	(100.0)
Current & Accrued Liabilities:												
Accounts Payable								\$201,854	8.2	\$129,143	\$320,423	148.1
Notes Payable								93,340	25.6		256,401	N/COMP
Customer Deposits								22,087	0.2	56		376.8
Advance Billing & Payments								43,220	6.5	847	3,380	299.1
Other Current Liabilities								34,791	(23.1)	(258)	363	(240.7)
Taxes Accrued								42,389	(29.3)	9,727	29,437	202.8
Net Current Deferred Taxes								(58)	(98.8)	1,487	(1,576)	(206.0)
Unmatured Interests, Dividends, & Accrued Liabilities								99,977	5.3	10,813	32,028	196.2

FIGURE NO. 6-130

TELEPHONE COMPANIES
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1975, 1980, 1984, 1985, 1986, 1987, 1988 and 1989
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000's)

ITEM	1975	1980	1984	1985	1986	1987	1988	1989	% Change 1989-1988	AT&T 1988	AT&T 1989	% Change 1989-1988
Total Current & Accrued Liabilities			\$103,242	\$189,844	\$44,676	\$503,466	\$518,764	\$537,600	3.6	\$151,815	\$640,743	322.1
Deferred Credits & Other Liabilities			\$496,424	\$591,628	\$695,440	\$862,652	\$886,949	\$955,330	7.7	\$43,472	\$141,725	226.0
Total Stockholder's Equity & Liabilities			\$1,685,587	\$2,981,481	\$3,088,095	\$4,308,871	\$4,388,087	\$4,558,166	3.9	\$394,180	\$1,307,298	231.7
STATISTICS (N.C. ONLY):												
Access Lines in Service--Year End**												
Residential Access Lines	2,406,878	3,104,066	1,958,805	2,015,374	2,127,816	2,273,098	2,688,045	2,384,523	(11.3)			
Business Access Lines	450,880	578,045	538,399	563,854	613,735	688,477	773,515	755,184	(2.4)			
Other Access Lines	378,041	457,612	51,901	60,450	65,376	34,956	172,337	101,688	(41.0)			
Grand Total of all Access Lines in Service	3,235,799	4,139,723	2,549,105	2,639,678	2,806,927	2,996,531	3,633,897	3,241,395	(10.8)			
Average Number of Calls per Telephone or Access Line:**												
Local	1,978	1,710	2,669	2,736	2,889	3,027	2,769	3,042	9.9			
Toll	113	198	326	394	511	574	307	335	9.1			
Total Average Number of Employees	19,461	21,678	16,485	15,827	15,509	15,873	16,052	15,973	(0.5)			
Total Wages & Benefits Paid Employees (000s)	\$221,163	\$404,832	\$438,157	\$457,742	\$490,138	\$508,671	\$538,951	\$556,612	3.3			
Average Annual Wages & Benefits Paid Employees (Actual Dollars)	\$11,364	\$18,675	\$26,683	\$28,922	\$30,053	\$32,046	\$33,575	\$34,871	3.9			

**Information was available for nine telephone companies in 1984 & 1985, eleven companies in 1986 & 1987, seventeen companies in 1988 and twenty companies in 1989.
N/COMP = Not Comparable



VII. Water And Sewer Companies

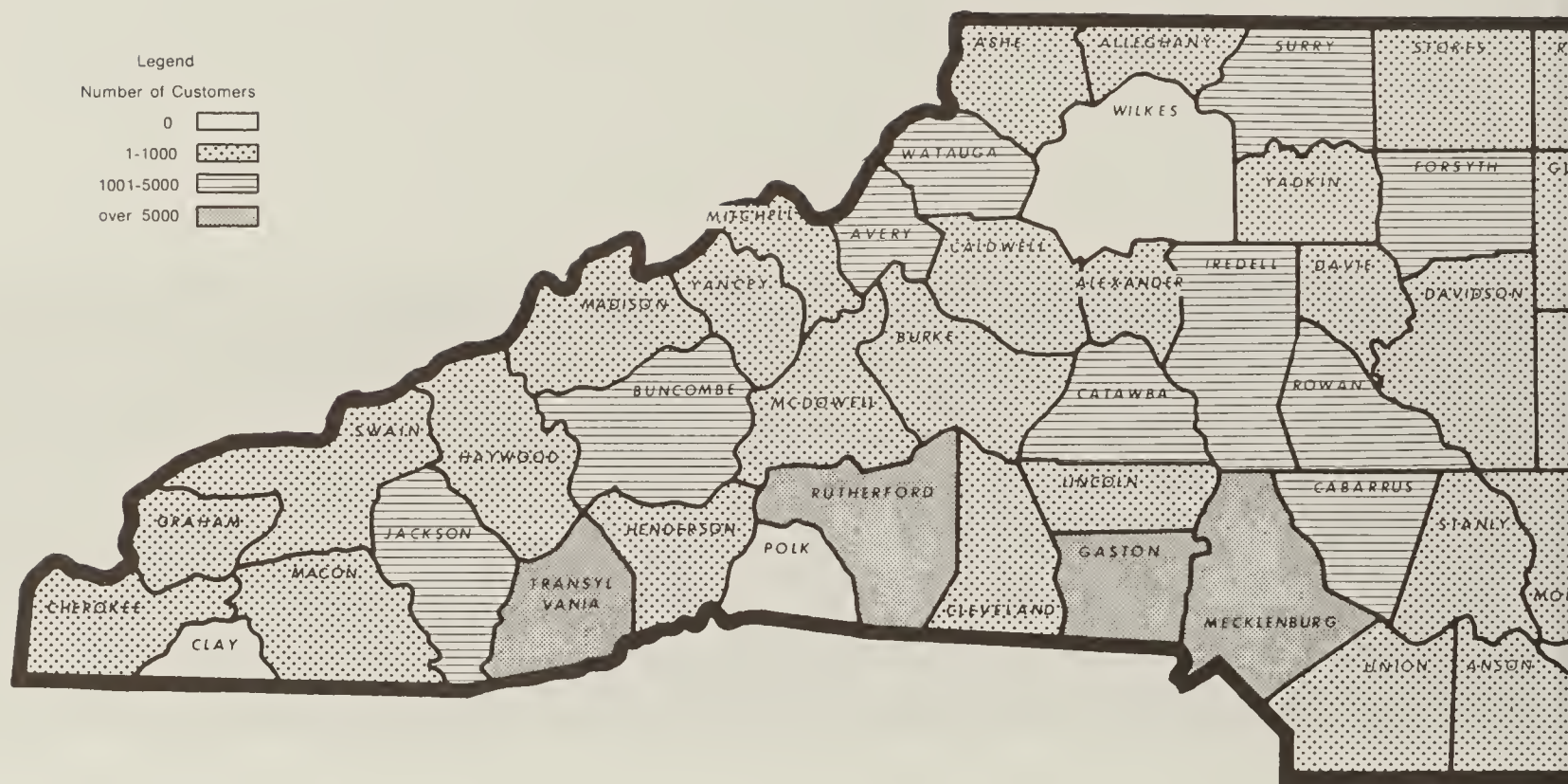
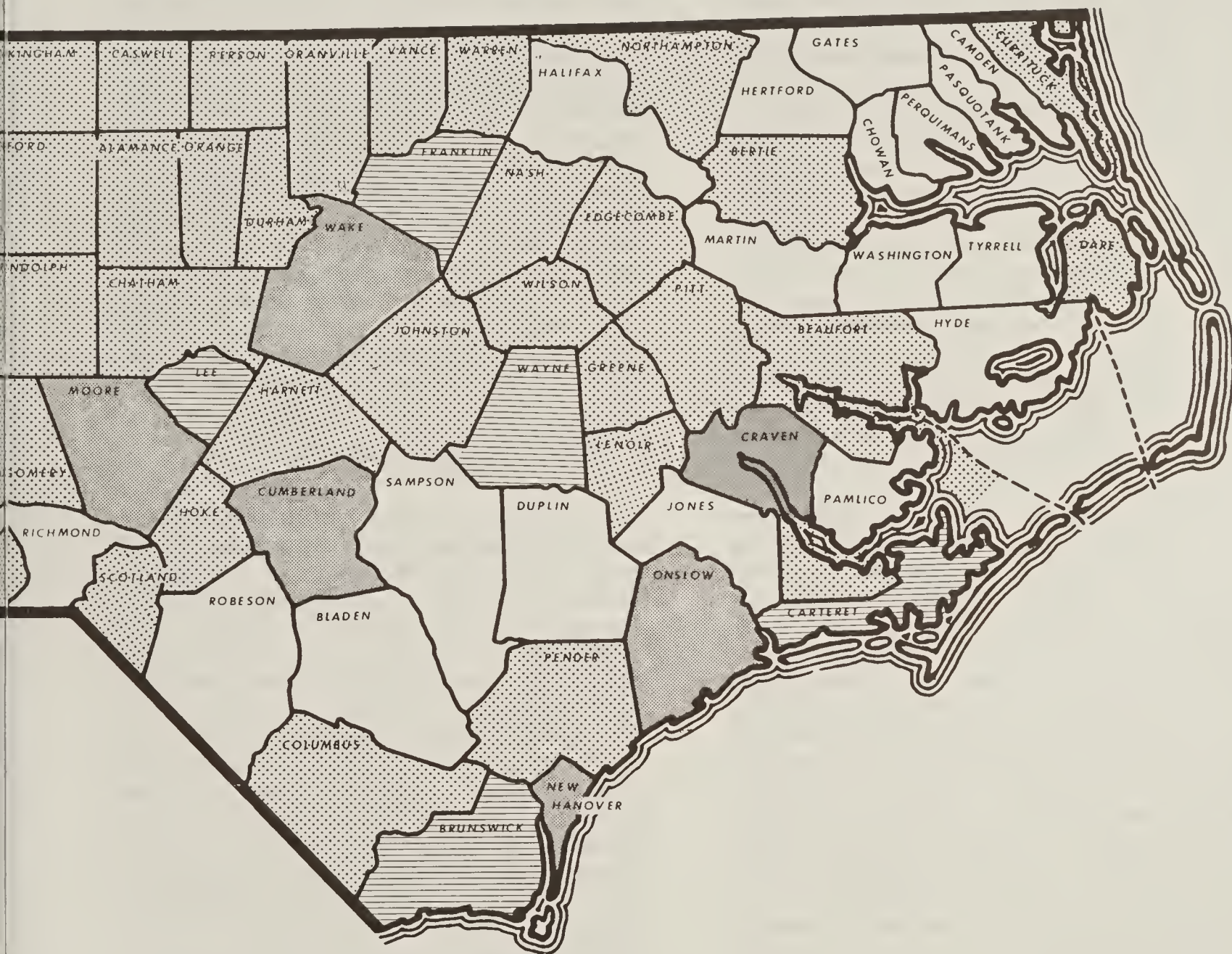


FIGURE NO. 7-1
 Distribution of Customers
 Served by
 REGULATED WATER & SEWER UTILITIES

1987



A. GENERAL COMMENTS

As of December 31, 1989, there were 1,482 regulated water and sewer systems in North Carolina owned by 340 companies. These are comprised of 1,240 water and 242 sewer systems. The General Statutes of North Carolina provide in part that anyone owning or operating facilities for furnishing water and sewer service to the public for compensation is a public utility, except when such person's sole operation consists of selling water to fewer than ten residential customers. Specifically exempt from regulation under the statutes are municipalities, sanitary districts, and anyone who furnishes water or sewer service to himself, his tenants, or his employees. The statutes also exempt certain consumer-owned corporations.

Figure Nos. 7-1 and 7-2 show a map, and in chart form, the locations of the water and sewer systems by counties with the number of systems and customers in each county.

In 1989 and 1988, approximately 83% of the regulated companies received less than \$50,000 in annual revenues with only nineteen companies in 1989 and sixteen in 1988 receiving more than \$500,000. Approximately 65% of the water and sewer companies served fewer than 100 customers in 1988 and in 1989.

One of the major problems encountered in regulating small water and sewer utilities is their lack of keeping adequate records. Many small utility owners quite possibly subsidize operations for several years because their records, which are required for filing and justifying rate increases, are inadequate. As a result, of the 340 water and sewer companies franchised to operate in 1989, current statistical and operating data is only included for 250 companies. This data is found in Figure No. 7-3. For the other 90 companies, the most recent statistical data received by the Commission is presented in Figure No. 7-4. This noncurrent statistical data for the years 1976 through 1988 is included to illustrate

the total scope of the regulated water and sewer industry in North Carolina.

The Commission has adopted a simplified (2-page) annual report which should encourage small utilities to maintain minimum records of their revenues and expenses. This should enable them to keep accurate records and provide them with the required information needed for general rate cases.

In the last few years, there has been a trend in the water and sewer industry for the larger regulated companies to actively pursue the acquisition of smaller regulated companies. In 1989 Carolina Water Service, Heater Utilities, Inc., Mid South Water System, and Hydraulics acquired approximately 20 companies. Also in 1989, there were approximately five smaller companies acquired by counties and municipalities that are exempt from the Commission's regulation.

B. COMMISSION ACTIVITIES

During 1989, applications for general rate increases were filed by 25 water and/or sewer companies. Thirty-two water and sewer companies filed for general rate increases in 1988. The Commission granted \$1,176,009 of the \$1,965,489 requested by the water and sewer companies in 1989.

Applications for new franchises totaled 21 in 1989, down 23 cases from 1988. There were 50 requests for transfers of franchises, up from 36 requests in 1988, and 38 miscellaneous proceedings which involved petitions to show cause, requests for emergency operators, restrictions on outside water usage, public utility status determinations, and formal complaints.

In 1987 the Commission held hearings on the Tax Reform Act of 1986 (TR-86), effective January 1, 1987, in regard to the taxation on contribution in aid of construction (CIAC). On August 26, 1987, the Commission ruled that water and sewer companies shall use the full gross-up method of collecting CIAC unless the Commission gives prior

approval for a different method in a particular case or unless the company applies for, and is granted, approval to use the present value method. If the company does not follow the gross-up requirements established by this Order, they will not be allowed to recover the costs of the taxes arising from the CIAC through rates or other charges to customers, without a strong, clear, and convincing showing of exceptional cause. The Commission is currently reviewing comments by interested parties on this and other related matters.

In 1988 environmental testing requirements were placed on all well systems by State and Federal agencies. This requires all wells to be tested for Volatile Organic Compounds (VOC's). The average cost per well, for the test is \$500 to \$600, with a re-test due every 5 years. The Commission adopted a policy to pass on the cost of the VOC's testing with a tariff filing instead of a general rate case proceeding. Requests are reviewed and acted upon on a case-by-case situation.

All water and sewer utility plants are required to furnish a bond secured in an amount not less than \$10,000 and no more than \$200,000. These bonds are in the form of cash or certificates of deposits. They are posted for use by the Commission in the event that an emergency operator is needed to take over a system and also to provide an incentive for utility companies to properly operate and maintain their systems.

C. REGULATED VS. NONREGULATED MONTHLY CHARGES

Comparative monthly charges for residential water service between selected nonregulated municipal systems and regulated water systems in North Carolina are shown in Figure No. 7-8. This also shows the same comparable component for residential sewer service in North Carolina for the same period.

D. STATISTICAL SUMMARY

The number of regulated utility companies furnishing water and sewer service in North Carolina was 340, a decrease of 53 companies from 1988. These companies operated 1,240 water systems and 242 sewer systems within the State. They served 140,330 water and sewer customers and received \$27,098,123 in annual revenues. See Figure No. 7-7 for a graphic presentation.

Of the 340 water and sewer companies regulated as of December 31, 1989, seven water companies and seven water/sewer companies had records in sufficient detail to provide some comparative data to be developed for this report. The individual financial and statistical data for these 14 companies for the year 1989 is shown in Figure Nos. 7-5 and 7-6.

Caution should be used in applying the results of the data shown for these 14 companies to any specific situation. The data is taken directly from the annual reports without any adjustments. Experience has shown that the Commission usually makes substantial adjustments to the data filed by water and water/sewer companies for ratemaking purposes. The adjustments are most frequently made to the plant accounts and the related depreciation expenses claimed against the plant investment. Most of the adjustments are downward to reflect the elimination of plant contributed or plant investment recovered by the developers or owners through the sales price of the lots in subdivisions. Often there are downward adjustments in both the plant account and in operation expenses due to the system's having unreasonably large unused customer capacity during the early stages of development. In view of these limitations, the average water usage and revenues per customer have the most valuable use for comparative or planning purposes.

FIGURE NO. 7-2

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
ALAMANCE				
Hydraulics, Ltd.	45		1	
Rayco Utilities, Inc.		91		1
	45	91	1	1
ALEXANDER				
Bethlehem Utilities, Inc.	298		4	
Huffman, H. C. Water Service	14		1	
Mid South Water Systems, Inc.	36		2	
Milstead Community Water System	16		2	
Piedmont Construction & Water Co.	246		4	
Pleasant Gardens Water Department	41		1	
	651	0	14	0
ALLEGHANY				
Carolina Water Service of N. C.	191		1	
	191	0	1	0
ANSON				
McRae Construction Company, Inc.	62		1	
	62	0	1	0
ASHE				
Cross-State Development Company	184		4	
Fleetwood Falls, Inc.	111		1	
Wastewater Services, Inc.	42	43	1	1
	337	43	6	1
AVERY				
Carolina Water Service of N. C.	2,005	886	2	1
Elk River Development Corporation	130	77	1	1
Grandfather Golf & Country Club	183	170	2	2
Linville Ridge	235		1	
Mountain Group	171	31	1	1
Weber Development Company	8		1	
	2,732	1,164	8	5

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
BEAUFORT				
Bayview Water Works	96		1	
Flanders Filters, Inc.	15		4	
SRME Water System	52		1	
	163	0	6	0
BERTIE				
Perrytown Water System	15		1	
White, Billy	12		1	
	27	0	2	0
BLADEN				
None				
BRUNSWICK				
B & C Corporation, Inc.	84		1	
Bald Head Island Utilities, Inc.	336	287	1	1
Brick Landing Utility Corporation		125		4
Carolina-Blythe Utility Company	782	728	1	1
M-I Utility Corporation		3		1
Oyster Bay Utilities, Inc.		0		1
Pelican Trace Utilities, Inc.		0		1
River Run Utilities, Inc.		18		1
	1,202	1,161	3	10
BUNCOMBE				
Brown, E. S.	19		1	
Carolina Water Service of N. C.	610	610	2	2
Eagle Heights Utilities, Inc.	10		1	
Huey, Wade	15		1	
Jewell, A. Gordon	38		1	
Kirk Glen, Inc.	27		1	
Poplar Terrace Mobile Home Park	11	11	1	1
Ridgecrest Baptist Conference Center	283		1	
R.O.E. Water Utility Company	22		1	
Smith, R. Wiley	29		1	
Viewmont Acres Water System	19		1	
	1,083	621	12	3

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
BURKE				
Hill Top Subdivision Water System	13		1	
Huffman, H. C. Water Systems, Inc.	21		1	
Hydraulics, Ltd.	43		2	
L & L Construction, Inc.	35		1	
Mid South Water Systems, Inc.	65		3	
Mineral Springs Mountain Water Supply	39		1	
South Mountain Water Works	35		1	
	251	0	10	0
CABARRUS				
Barrier Grain Company	18		1	
Carolina Water Service of N. C.	349	441	1	2
Castor Court Water Company, Inc.	10		1	
Corriher Water Service, Inc.	212		3	
Goodman, Richard L.		33		1
Harward's Realty & Insurance Company	28		1	
Holt, Edgar L., Subdivision Water Syst.	16		1	
Home Realty Company & Insurance	42		1	
Little, C. F., Construction Company	72		1	
Mid South Water Systems, Inc.	917	120	17	1
Mullis, Giles E.	23		3	
Northwestern Woods Well System	22		1	
Rayco Utilities, Inc.	37		1	
Sehorn Water Supply, Inc.	20		1	
Silver Maples Mobile Estates	7	29	1	1
Terres Bend Water System	25		1	
	1,798	623	35	5
CALDWELL				
Huffman, H. C., Waters Systems, Inc.	38		1	
Joyceton Water Works, Inc.	159		1	
Looper, Clark Russell	17		1	
Miller, R. B., Jr.	23		3	
Wagner, W. Charles	19		1	
	256	0	7	0
CAMDEN				
None				

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
CARTERET				
Beacon's Reach Master Association		427		4
Carolina Water Service of N. C.	2,870	113	2	3
Colony Water of Morehead City	31		1	
Conner Homes Corporation	47		1	
Emerald Plantation Utility Company		18		1
H & M Water Company, Inc.	88		1	
Hydraulics, Ltd.	71		2	
Peppertree Atlantic Beach		1		1
T.E.T. Utility Company		322		2
	3,107	881	7	11
CASWELL				
Millner Water Systems	31		1	
	31	0	1	0
CATAWBA				
A & B Water Company	21		1	
Acqua, Inc.	102		1	
Bolick, Albert	19		1	
Cardinal Estates Water System	8		1	
Cline, H. C. Building & Supply	48		1	
Corriher Water Service	31		1	
Duan Water Works, Inc.	76		1	
Fairbrook Utility Company	18		1	
Hart Water Systems	172		2	
Huffman, George	36		1	
Huffman, H. C., Water Systems, Inc.	384		8	
Hydraulics, Ltd.	339		6	
Killian Water Systems	27		1	
Matthews, B. E., Construction Company	21		1	
Mid South Water Systems	983	115	32	3
Piedmont Construction & Water Co.	1,118		22	
Rock Barn Water System	116		1	
Setzer Brothers Well Boring	133		3	
Shamrock Water Corporation	60		1	
Spring Valley Water System	18		1	
Tarlton Real Estate Corporation	121		4	
W & K Enterprises	29		2	
	3,880	115	93	3

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
CHATHAM				

Fearington Utilities		305		1
Goss Utility Company	349		8	
Hudson Cole Development Corporation	25	25	3	3
Hydraulics, Ltd.	429		6	
	-----	-----	-----	-----
	803	330	17	4
CHEROKEE				

Carolina Water Service of N.C.	200	78	1	1
Mulkey Homesites	97		1	
Pied Piper Resort, Inc.	29		1	
	-----	-----	-----	-----
	326	78	3	1
CHOWAN				

None				
CLAY				

None				
CLEVELAND				

Bellview Water System, Inc.	6		1	
Cleveland Water Systems, Inc.	160		1	
Hydraulics, Ltd.	161		1	
Lake Terrace Water System	33		1	
Mid South Water Systems, Inc.	64		2	
Quail Hollow Water System, Inc.	27		1	
Rollingwood Water System, Inc.	64		1	
	-----	-----	-----	-----
	515	0	8	0
COLUMBUS				

Honey Hill Water Company	26		1	
	-----	-----	-----	-----
	26	0	1	0
CRAVEN				

Carolina Pines Utility Company		22		1
Carolina Water Service of N. C.	799	699	1	1

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
CRAVEN CONTINUED				
Greenfield Heights Development	24		1	
Havelock Development Corporation	180		1	
Marmarose Company	47		1	
Northeast Craven Utility Company	2,867	2,835	1	1
	3,917	3,556	5	3
CUMBERLAND				
Birchwood Farms, Inc.	155		3	
Brookwood Water Corporation	6,111		13	
Carolina Water Service of N. C.	285		3	
Cumberland Water Company	1,217	251	4	1
LaGrange Water Works	4,916		23	
Liberty Water Works, Inc.	40	40	1	1
Maxwell Water Company	34		1	
Mobile Heights Water System	36		1	
Montclair Water Company	4,902	3,603	20	17
Overhills Water Company	292		1	
P & H Water Company	149		3	
Scotsdale Water & Sewer, Inc.	359		2	
Sunset Park Utilities	428	207	2	1
Water, Inc.	129		1	
	19,053	4,101	78	20
CURRITUCK				
Carolina Water Service of N. C.	222	202	2	2
	222	202	2	2
DARE				
Kitty Hawk Utilities, Inc.	0	0	0	0
Nags Head Village Service		188		1
Outer Banks Beach Club, Inc.		N/A		1
Sea Isle Water System	18		1	
	18	188	1	2
DAVIDSON				
Hydraulics, Ltd.	112		4	
Surry Water Company	31		1	

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER

DAVIDSON CONTINUED				

Willow Creek Builders, Inc.		101		1
	143	101	5	1
	-----	-----	-----	-----
DAVIE				

Bermuda Run Country Club		209		4
Tri-South Construction Company	11		1	
	11	209	1	4
	-----	-----	-----	-----
DUPLIN				

None				
DURHAM				

Clearwater Utilities, Inc.	61		1	
Eno Industrial Sewage Facility		4		1
Goss Utility	23		3	
Heater Utilities, Inc.	505		9	
Hydraulics, Ltd.	20		1	
MAM Water & Sewer Corporation	0	281	1	1
North State Utilities		0		1
	609	285	15	3
	-----	-----	-----	-----
EDGECOMBE				

Hazelwood Water Company	66		1	
Lone Pine Water Company	59		1	
	125	0	2	0
	-----	-----	-----	-----
FORSYTH				

Carolina Water Service of N. C.	273	397	3	3
Hydraulics, Ltd.	660		10	
Mid South Water Systems, Inc.	19		2	
Rayco Utilities, Inc.		63		1
Surry Water Company	2		1	
T-Square Water Company	260		1	
	1,214	460	17	4
	-----	-----	-----	-----

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
FRANKLIN				
Clearwater Utilities, Inc.	20		1	
Heater Utilities, Inc.	13		1	
Piedmont Carolina Construction	19		1	
Rayco Utilities, Inc.		41		1
Riviera Utilities of N.C., Inc.	N/A		N/A	
	52	41	3	1
GASTON				
Bess Brothers, Inc.	221		5	
Bess, Craig, Inc.	294		6	
Bradshaw Water Company	81		3	
Brindle Well Drilling	77		2	
Carolina Water Service of N. C.	474	22	6	2
D & W Water Systems	112		2	
Dockery's Water System	133		2	
Duncan, Gordon	14		1	
Falls, Ralph L., Water System	374		6	
Fox Fire Water System	7		1	
Gallagher Trails Enterprises	39		1	
Gaston Builders, Inc.	37		1	
Hensley Enterprises, Inc.	1,990		35	
Holbrook, Mrs. M. L.	26		1	
Hollandale Water Company	30		1	
Honeycutt Water System	72		3	
Jones, J. W.	11		1	
Laurel Woods Water System	65		1	
Lewis Water Company, Inc.	422		12	
Mid South Water Systems, Inc.	341		11	
Patterson, James D.	28		1	
Paysours Water Works, Inc.	92		1	
Proctor Water Works	17		1	
Rolling Hills Mobile Home Park	41		1	
Ruff Water Company	535		8	
Skyland Drive Water System	21		1	
Skyview Water System, Inc.	68		1	
Stony Oaks Water System	8		1	
Valleydale Water Company	46		1	
	5,676	22	117	2
GATES				
None				

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
-----	-----	-----	-----	-----
GRAHAM				

Tobacco Barn Village	39		1	
	-----	-----	-----	-----
	39	0	1	0
GRANVILLE				

Wilson Water Service	49		3	
	-----	-----	-----	-----
	49	0	3	0
GREENE				

H & H Development Corporation	31		1	
	-----	-----	-----	-----
	31	0	1	0
GUILFORD				

Hydraulics, Ltd.	292		11	
	-----	-----	-----	-----
	292	0	11	0
HALIFAX				

None				
HARNETT				

Anderson Creek Homes Water System	170		1	
Heater Utilities, Inc.	22		2	
Pinnacle, Inc.	19		1	
Rolling Springs Water Company, Inc.	448	166	1	1
Tart's Investment Corporation	31		1	
	-----	-----	-----	-----
	690	166	6	1
HAYWOOD				

Brookside Water Company	28		1	
Ross, Sanford E.	28		1	
Springdale Water Company	81	36	1	1
	-----	-----	-----	-----
	137	36	3	1

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
HENDERSON				
BRTR, Inc.	103		3	
Brightwater Water Department	109		3	
Browning Enterprises, Inc.	67		1	
Campen Carolina Corporation	0		1	
Carolina Water Service, Inc.	47		1	
Etowah Sewer Company		39		1
FDB, Inc.	11		1	
Hooper Valley Water Company	55		1	
Horse Show Sewer Company		39		1
Kenmure Properties, Ltd.	0		1	1
Lake Summit Corporation	69		1	
Marper, Inc.	65		1	
Mid South Water Systems, Inc.	66		1	
Woodhaven Water System	49		1	
	641	78	16	3
HERTFORD				
None				
HOKE				
Harmony Heights Water System	97		1	
Scotsdale Water & Sewer, Inc.	35		2	
	132	0	3	0
HYDE				
None				
IREDELL				
Combs, Robert F.	39		3	
Community Water Works, Inc.	77		2	
Corriher Water Service, Inc.	119		1	
Mid South Water Systems, Inc.	161	79	5	3
Piedmont Construction & Water Company,	954		16	
Triangle Construction Company, Inc.	21		1	
Tulbert, Stephen E.	11		1	
	1,382	79	29	3

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
JACKSON				

Cowan Valley Estates Water System	30		1	
Dillard Grading Company	74		1	
High Hampton, Inc.	89		1	
Holly Hills Water	19		1	
Jackson Utility Company	1,738	601	1	1
Sapphire Lakes Utility Company	91	50	1	1
University Heights	41		1	
	-----	-----	-----	-----
	2,082	651	7	2
JOHNSTON				

Carolina Water Service of N. C.	99	99	1	1
Fisher Utilities	136		3	
Heater Utilities, Inc.	150		5	
Johnston-Wake Utilities, Inc.	51		2	
Oak Ridge Water System, Inc.	16		1	
River Dell Utilities, Inc.	1		1	
Stony Brook Estates Water System	30		1	
	-----	-----	-----	-----
	483	99	14	1
JONES				

None				
LEE				

Carolina Lakes Corporation	156	156	1	1
Carolina Trace Corporation	747	686	1	1
Carolina Water Service of N. C.	64		1	
Farm Water Works	23		1	
Fisher Utilities, Inc.	57		1	
	-----	-----	-----	-----
	1,047	842	5	2
LENOIR				

Hickory Hills Service Company, Inc.	246		1	
	-----	-----	-----	-----
	246	0	1	0

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
LINCOLN				
Coral Park Community Wells	12		1	
Lincoln Water Works, Inc.	126		2	
Mid South Water Systems, Inc.	70		1	
	208	0	4	0
MACON				
Carolina Water Service of N.C.	140	17	2	1
Flat Mountain Estates Water Sys., Inc.	34		1	
Riverbend Estates Water System	97		1	
	271	17	4	1
MADISON				
Carolina Water Service of N.C.	390		1	
	390	0	1	0
MARTIN				
None				
MCDOWELL				
Mid South Water Systems, Inc.	62		1	
	62	0	1	0
MECKLENBURG				
Alternative Waste Treatment Systems		3		1
Bradshaw Water Company	10		1	
Burnett Utilities, Inc.	735	299	3	1
Carolina Water Service of N.C.	4,271	1,624	31	8
Clear Meadow Water, Inc.	40		2	
Corriher Water Service, Inc.	80		1	
Crater Water System	55		1	
Goose Creek Utility Company	99		1	
Hunter Water Company	112		2	
Juniper Water Company	46		1	
Mauney, William K., Jr.	40		1	
Mid South Water Systems, Inc.	1,615	344	26	12
North State Utilities		0		1

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER

MECKLENBURG CONTINUED				

United Systems Company, Inc.		0		1
	7,103	2,270	70	24

MITCHELL				

Mid South Water Systems, Inc.	51		1	
	51	0	1	0

MONTGOMERY				

Carolina Water Service of N. C.	307		2	
	307	0	2	0

MOORE				

Blue Farm Water Systems	21		1	
Carolina Water Service of N.C.	907		2	
Hydraulics, Ltd.	83		3	
Hyland Hills Development Group	61		1	
Jackson Hamlett Water Supply	123		1	
Niagara Water Company	25		1	
Pinehurst Water & Sanitary Co., Inc.	3,595	2,687	1	1
Riverview Water System	33		1	
Seven Lakes Utilities, Inc.	958		1	
Vila Pump Company	24		1	
Woodlake Utilities, Inc.	261	192	1	1
	6,091	2,879	14	2

NASH				

Clearwater Utilities, Inc.	16		1	
	16	0	1	0

NEW HANOVER				

Associated Utilities, Inc.	711	590	3	3
C & L Utilities, Inc.	262	0	2	1
Cape Fear Utilities	3,647	905	84	13
Coastal Carolina Utilities, Inc.	75	47	3	3
Coastal Plains Utilities Company	631		5	

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
NEW HANOVER CONTINUED				
Fairway Utilities, Inc.	135	135	1	1
G & F Construction		15		1
Glynwood Mobile Home Park	88		4	
H & H Development Corporation		45		1
Inlet Bay Utilities, Inc.	168	194	1	3
Kings Grant Water Company	2,003		7	
Masonboro Utility, Inc.	127	127	2	2
Ogden Village Utilities, Inc.		10		1
Quality Water Supplies, Inc.	1,495		14	
Treasure Cove Water Company	201		1	
	9,543	2,068	127	29
NORTHAMPTON				
Fox Run Water Company, Inc.	30		1	
	30	0	1	0
ONSLOW				
Blue Creek Utilities, Inc.		97		3
CWB Utilities, Inc.		20		1
Holiday City Mobile Home Park	375	375	1	1
Horse Creek Farms Utilities Corp.		35		1
Mercer Environmental Corporation	790	671	6	2
North Topsail Water & Sewer, Inc.		1,204		1
Pen Properties, Inc.	70		2	
Pines Utilities, Inc.		248		1
Rock Creek Environmental Company		18		1
S & G Development Corporation	120		1	
Scientific Water & Sewerage Co., Inc.	1,035	1,096	5	6
Sentry Utilities, Inc.		223		2
Spring Water Company, Inc.	138		1	
Viking Utilities, Inc.		320		1
Webb Creek Water & Sewer, Inc.	4		1	
	2,532	4,307	17	20
ORANGE				
Heater Utilities, Inc.	225		4	
Hydraulics, Ltd.	20		2	

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER

ORANGE CONTINUED				

Northwood Developers of Orange County	80		1	
Windham Mobile Home Park	13		1	
	-----	-----	-----	-----
	338	0	8	0
PAMLICO				

None				
PASQUOTANK				

None				
PENDER				

Carolina Water Service of N. C.	300	200	2	2
	-----	-----	-----	-----
	300	200	2	2
PERQUIMANS				

None				
PERSON				

Goss Utility Company	10		1	
	-----	-----	-----	-----
	10	0	1	0
PITT				

Hendrix Barnhill Company, Inc.	42		1	
Homestead Community Water	36		1	
Rivercreek Utility Company	39		1	
Riverhills, Inc.		75		1
Rose Hill Associates Water Company	260	260	1	1
	-----	-----	-----	-----
	377	335	4	2
POLK				

Mid South Water Systems, Inc.	0		1	
	-----	-----	-----	-----
	0	0	1	0

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER

RANDOLPH				

Franklinville Waste Treatment Company		35		1
Hydraulics, Ltd.	365		8	
McMahan, Harold	62		1	
Piedmont Estates Water System	96		1	
Rayco Utilities, Inc.	177	177	3	3
	-----	-----	-----	-----
	700	212	13	4
RICHMOND				

None				
ROBESON				

None				
ROCKINGHAM				

Billingsly, W.D. & J.T.	35		1	
Clear Flow Utilities, Inc.	389	275	1	1
Hydraulics, Ltd.	111		4	
Rockingham Realty Company, Inc.	38		1	
Wilson, Mitchell B.	59		2	
	-----	-----	-----	-----
	632	275	9	1
ROWAN				

Anderson, Wayne	8		1	
Corriher Water Service, Inc.	405		11	
Grove Supply Company, Inc.	24		1	
Hydraulics, Ltd.	71		3	
Mid South Water Systems, Inc.	144		4	
Mullis, Giles E.	21		2	
Old Farm Water System, Inc.	79		1	
Rayco Utilities, Inc.	50	51	1	1
South Rowan Investment Corporation	18		1	
Surry Water Company, Inc.	62		1	
Trexler Water System	102		2	
Yost, J. M.	11		1	
	-----	-----	-----	-----
	995	51	29	1

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
RUTHERFORD				
Chimney Rock Water Works	94		1	
Duke Power Company	4,190		3	
East Rutherford Water System, Inc.	31		1	
Hawkins, Paul T., Company, Inc.	323		2	
Mid South Water Systems, Inc.	118		2	
Mountain Utility Company	698	389	28	14
	5,454	389	37	14
SAMPSON				
None				
SCOTLAND				
Pate, Z. V., Inc.	517		1	
Scotland Water Company	245		4	
Spring Hill Water System	19		1	
Springs Industries, Inc.	39	31	1	1
	820	31	7	1
STANLY				
Cook, L. V., Water Supply	104		2	
H & A Water Services, Inc.	10		1	
Norwood Beach Water System	59		2	
Western Utilities Corporation	0		4	
	173	0	9	0
STOKES				
Hydraulics, Ltd.	2		1	
Rayco Utilities, Inc.	71	195	1	2
	73	195	2	2
SURRY				
Forest Hills Water System	9		1	
Hydraulics, Ltd.	78		1	
Surry Water Company, Inc.	999		24	
Woods Water Works, Inc.	35		4	
	1,121	0	30	0

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
SWAIN				

Dillard Grading Company	11		1	
	-----	-----	-----	-----
	11	0	1	0
TRANSYLVANIA				

Big, Inc.	131		3	
Carolina Water Service, Inc.	240		1	
Sherwood Forest Utilities, Inc.		25		1
TPG Utilities, Inc.	49		1	
Transylvania Utility Company	3,096	1,810	1	1
	-----	-----	-----	-----
	3,516	1,835	6	2
TYRELL				

None				
UNION				

Carolina Water Service of N.C.		546		1
Country Hills Water Company	34		1	
Goose Creek Utility		198		1
Independence Water System	20		1	
Mid South Water Systems, Inc.	29		1	
Parris, Steddy Durbin, Jr.	59	59	2	2
Sherwood Forest Community Water System	12		1	
Simco, Inc.	30		1	
	-----	-----	-----	-----
	184	803	7	4
VANCE				

Heater Utilities, Inc.	37		1	
Vance Rural Water Systems, Inc.	30		1	
	-----	-----	-----	-----
	67	0	2	0
WAKE				

All Star Mobile Home Park	237	220	1	1
Alpha Utilities, Inc.	296		7	
Carolina Water Service of N.C.	51	237	1	3
Clearwater Utilities, Inc.	538		9	
Compass Utilities	60	59	2	2

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
WAKE CONTINUED				
Falls Utility Company	26	24	1	1
Fisher Utilities, Inc.	554		14	
Foxhall Village Utilities	252	252	1	1
Gensinger, John	27		1	
Green Spring Valley Mobile Estates	280	280	1	1
Gresham's Lake Utility Company, Inc.	19	17	1	1
Hare, John E.	16		1	
Harrco Utility		0		3
Heater Utilities, Inc.	7,030		133	
Heritage Water Company, Inc.	105		1	
Ideal Mobile Home Park	21		1	
Intech, Inc.		0		5
Johnston-Wake Utilities	41		2	
Jones Dairy Farm Corporation		120		1
Lee, Ira A., and Associates	87	87	1	1
McCullers Pines Water System	14		1	
M. D. Square, Inc.	23		1	
Mobile Hills Estates Water System	42		1	
Nero Utilities, Inc.	0	0	1	1
Neuse Crossing Utilities	0	0	0	0
North State Utilities, Inc.		49		8
Parrish & Weathers		125		1
Prior Construction Company	125		1	
Riverview North Utilities	69		1	
Robertson Brothers Utilities	27	27	1	1
S & H Corporation of Wake County	11		1	
Scotsdale Water & Sewer, Inc.	261		8	
Spring Water Company, Inc.	17		1	
Turner, T. H. Farms, Inc.	224		4	
Twin Lake Properties	1		1	
Utility Systems, Ltd.		89		1
Wake Utilities, Inc.	0	0	0	0
Westgate Utilities Company, Inc.	8		1	
	10,462	1,586	201	32
WARREN				
Fox Run Water Company, Inc.	176		5	
	176	0	5	0
WASHINGTON				
None				

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N. C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER

WATAUGA				

Associated Realty & Investment, Inc.	79		1	
Carolina Water Service of N.C.	898	156	7	1
	-----	-----	-----	-----
	977	156	8	1
WAYNE				

Carolina Water Service of N.C.	814		7	
Dees & Tyndall, Inc.		0		1
Genoa Water Systems, Inc.	811		9	
Heater Utilities, Inc.	301		3	
	-----	-----	-----	-----
	1,926	0	19	1
WILKES				

None				
WILSON				

Davis, Roy & Virginia	49		1	
Jackson, Harold L.	15		1	
West Wilson Water Company	208		7	
Wilson Water Systems	134		1	
Windsor Lake Water Company	68		1	
	-----	-----	-----	-----
	474	0	11	0
YADKIN				

Surry Water Company	15		1	
Yadkin Water Corporation	22		1	
	-----	-----	-----	-----
	37	0	2	0
YANCEY				

Carolina Water Service of N.C.	134		1	
	-----	-----	-----	-----
	134	0	1	0
GRAND TOTAL	111,338	33,832	1,240	242
	=====	=====	=====	=====

*Many companies operate more than one system.

FIGURE NO. 7-2A
SUMMARY DISTRIBUTION OF SYSTEMS AND CUSTOMERS BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS	
	WATER	SEWER	WATER	SEWER
ALAMANCE	45	91	1	1
ALEXANDER	651	0	14	0
ALLEGHANY	191	0	1	0
ANSON	62	0	1	0
ASHE	337	43	6	1
AVERY	2,732	1,164	8	5
BEAUFORT	163	0	6	0
BERTIE	27	0	2	0
BLADEN	0	0	0	0
BRUNSWICK	1,202	1,161	3	10
BUNCOMBE	1,083	621	12	3
BURKE	251	0	10	0
CABARRUS	1,798	623	35	5
CALDWELL	256	0	7	0
CAMDEN	0	0	0	0
CARTERET	3,107	881	7	11
CASWELL	31	0	1	0
CATAWBA	3,880	115	93	3
CHATHAM	803	330	17	4
CHEROKEE	326	78	3	1
CHOWAN	0	0	0	0
CLAY	0	0	0	0
CLEVELAND	515	0	8	0
COLUMBUS	26	0	1	0
CRAVEN	3,917	3,556	5	3
CUMBERLAND	19,053	4,101	78	20
CURRITUCK	222	202	2	2
DARE	18	188	1	2
DAVIDSON	143	101	5	1
DAVIE	11	209	1	4
DUPLIN	0	0	0	0
DURHAM	609	285	15	3
EDGECOMBE	125	0	2	0
FORSYTH	1,214	460	17	4
FRANKLIN	52	41	3	1
GASTON	5,676	22	117	2
GATES	0	0	0	0
GRAHAM	39	0	1	0
GRANVILLE	49	0	3	0
GREENE	31	0	1	0
GUILFORD	292	0	11	0

FIGURE NO. 7-2A CONTINUED
SUMMARY DISTRIBUTION OF SYSTEMS AND CUSTOMERS BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS	
	WATER	SEWER	WATER	SEWER
HALIFAX	0	0	0	0
HARNETT	690	166	6	1
HAYWOOD	137	36	3	1
HENDERSON	641	78	16	3
HERTFORD	0	0	0	0
HOKE	132	0	3	0
HYDE	0	0	0	0
IREDELL	1,382	79	29	3
JACKSON	2,082	651	7	2
JOHNSTON	483	99	14	1
JONES	0	0	0	0
LEE	1,047	842	5	2
LENOIR	246	0	1	0
LINCOLN	208	0	4	0
MACON	271	17	4	1
MADISON	390	0	1	0
MARTIN	0	0	0	0
MCDOWELL	62	0	1	0
MECKLENBURG	7,103	2,270	70	24
MITCHELL	51	0	1	0
MONTGOMERY	307	0	2	0
MOORE	6,091	2,879	14	2
NASH	16	0	1	0
NEW HANOVER	9,543	2,068	127	29
NORTHAMPTON	30	0	1	0
ONSLOW	2,532	4,307	17	20
ORANGE	338	0	8	0
PAMLICO	0	0	0	0
PASQUOTANK	0	0	0	0
PENDER	300	200	2	2
PERQUIMANS	0	0	0	0
PERSON	10	0	1	0
PITT	377	335	4	2
POLK	0	0	1	0
			0	0
RANDOLPH	700	212	13	4
RICHMOND	0	0	0	0
ROBESON	0	0	0	0
ROCKINGHAM	632	275	9	1
ROWAN	995	51	29	1
RUTHERFORD	5,454	389	37	14

FIGURE NO. 7-2A CONTINUED
SUMMARY DISTRIBUTION OF SYSTEMS AND CUSTOMERS BY COUNTIES
AS OF DECEMBER 31, 1989

COUNTY	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS	
	WATER	SEWER	WATER	SEWER
SAMPSON	0	0	0	0
SCOTLAND	820	31	7	1
STANLY	173	0	9	0
STOKES	73	195	2	2
SURRY	1,121	0	30	0
SWAIN	11	0	1	0
TRANSYLVANIA	3,516	1,835	6	2
TYRRELL	0	0	0	0
UNION	184	803	7	4
VANCE	67	0	2	0
WAKE	10,462	1,586	201	32
WARREN	176	0	5	0
WASHINGTON	0	0	0	0
WATAUGA	977	156	8	1
WAYNE	1,926	0	19	1
WILKES	0	0	0	0
WILSON	474	0	11	0
YADKIN	37	0	2	0
YANCEY	134	0	1	0
GRAND TOTAL (100 COUNTIES)	111,338	33,832	1,240	242

FIGURE NO. 7-3

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1989

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
A & B Water Company	Catawba	W-819	\$0		21	0	1	0
Acqua, Inc.	Catawba	W-270	11,747		102		1	0
Alpha Utilities, Inc.	Wake	W-862	18,495		296		7	
Alternative Waste Treatment	Mecklenburg	W-839	0	26,413	0	3	0	1
Anderson Creek Homes Water System	Harnett	W-724	19,071		170		1	
Anderson, Wayne	Rowan	W-566	1,260		8		1	
Associated Realty & Investment, Inc.	Watauga	W-384	9,295		79		1	
Associated Utilities, Inc.	New Hanover	W-303	78,555	95,297	711	590	3	3
BRT, Inc.	Henderson	W-762	10,280	0	103	0	3	0
B & C Corporation	Brunswick	W-924	8,925		84		1	
Bald Head Island Utilities, Inc.	Brunswick	W-798	122,888	62,421	336	287	1	1
Barrier Grain Company	Cabarrus	W-688	2,680		18		1	
Bayview Water Works	Beaufort	W-565	9,706		96		1	
Beacon's Reach Master Associates	Carteret	W-659		49,142		427		4
Bermuda Run Country Club	Davie	W-707		48,370		209		4
Bess Brothers	Gaston	W-331	11,359		221		5	
Bess, Gregg, Inc.	Gaston	W-281	83,635		294		6	
Bethlehem Utilities, Inc.	Alexander	W-259	59,279		298		4	
Billingsley, W. D. & J. T.	Rockingham	W-632	0		35		1	
Birchwood Farms	Cumberland	W-656	19,737		155		3	
Blue Creek Utilities	Onslow	W-857		63,927		97		3
Blue Farm Water System	Moore	W-926	3,445		21		1	
Bolick, Albert L.	Catawba	W-430	1,488		19		1	
Bradshaw Water Company	Gaston/Mecklen.	W-103	9,919		91		4	
Brick Landing Utility Corporation	Brunswick	W-817		13,620		125		4
Brightwater Water Department	Henderson	W-151	10,197		109		3	
Brindley's Well Drilling Company	Gaston	W-228	5,911		77		2	
Brookside Water Company	Haywood	W-330	4,722		28		1	
Brookwood Water Corporation	Cumberland	W-177	518,685		6,111		13	
Brown, E. S.	Buncombe	W-732	6,570		19		1	
Browning Enterprises	Henderson	W-569	10,070		67		1	
Burnett Utilities, Inc.	Mecklenburg	W-892	136,555	50,004	735	299	3	1
C & L Utilities, Inc.	New Hanover	W-535	31,638	5,346	262	0	2	1
Cape Fear Utilities, Inc.	New Hanover	W-297	581,792	219,936	3,647	905	84	13
Cardinal Estates Water System	Catawba	W-701	709		8		1	
Carolina Blythe Utility Company	Brunswick	W-503	127,921	147,378	782	728	1	1
Carolina Lakes Corporation	Lee	W-879	17,131	17,666	156	156	1	1
Carolina Pines Utility Company, Inc.	Craven	W-870		2,427		22		1
Carolina Water Service of North Carolina	(1)	W-354	3,833,839	1,732,839	16,940	6,327	84	34
Castor Court Water Company, Inc.	Cabarrus	W-423	1,938		10		1	
Chimney Rock Water Works	Rutherford	W-102	14,118		94		1	
Clearwater Utilities, Inc.	(2)	W-846	86,073		635		12	
Cline, H.C., Building & Supply Company, Inc.	Catawba	W-418	5,814		48		1	
Coastal Carolina Utility, Inc.	New Hanover	W-917	12,796	7,738	75	47	3	3

(1) This Company serves the following Counties: Alleghany, Avery, Buncombe, Cabarrus, Carteret, Cherokee, Craven, Cumberland, Currituck, Forsyth, Gaston, Henderson, Johnston, Lee, Macon, Madison, Mecklenburg, Montgomery, Moore, Pender, Transylvania, Union, Wake, Watauga, and Yancey.

(2) This Company serves Durham, Franklin, Nash, and Wake Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1989

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Community Water Works, Inc.	Iredell	W-316	\$13,445		77		2	
Compass Utilities	Wake	W-885	11,780	\$11,780	60		2	2
Conner Homes Corporation	Carteret	W-343	4,160		47		1	
Coral Park Community Well	Lincoln	W-717	2,016		12		1	
Corriher Water Service, Inc.	(1)	W-233	144,876		847		17	
Cowan Valley Estates Water System	Jackson	W-829	8,080		30		1	
Crater Water System	Mecklenburg	W-185	3,986		55		1	
Cross-State Development Company	Ashe	W-408	16,577		184		4	
Davis, Roy & Virginia	Wilson	W-631	4,886		49		1	
Duan Water Works, Inc.	Catawba	W-346	0		76		1	
Duke Power Company	Rutherford	W-094	2,432,190		4,190		3	
Eagle Heights Utility Company	Buncombe	W-826	2,260		10		1	
East Rutherford Water System, Inc.	Rutherford	W-527	3,545		31		1	
Elk River Development Corporation	Avery	W-803	23,481	17,033	130	77	1	1
Emerald Plantation Utility Company	Carteret	W-843		10,809		18		1
Eno Industrial Sewage Facility	Durham	W-763		16,209		4		1
Etowah Sewer Company	Henderson	W-933		57,977		39		1
Fairbrook Utility Company	Catawba	W-674	1,080		18		1	
Fairway Utilities, Inc.	New Hanover	W-787	15,538	34,500	135	135	1	1
Farm Water Works	Lee	W-844	3,131		23		1	
Fearrington Utilities	Chatham	W-661		30,530		305		1
Flanders Filters, Inc.	Beaufort	W-542	2,487		15		4	
Flat Mountain Estates Water System, Inc.	Macon	W-726	7,566		34		1	
Fleetwood Falls, Inc.	Ashe	W-368	12,248		111		1	
Forest Hills Water System	Surry	W-340	1,018		9		1	
Fox Fire Water System	Gaston	W-725	1,249		7		1	
Fox Run Water Company, Inc.	N.Hampton/Warr	W-959	13,198		206		6	
Franklinville Waste Treatment	Randolph	W-905		8,388		35		1
G & F Construction	New Hanover	W-940		2,113		15		1
Gallagher Trails Enterprises	Gaston	W-603	4,580		39		1	
Gaston Builders, Inc.	Gaston	W-737	4,341		37		1	
Glynwood Mobile Home Park	New Hanover	W-454	5,934		88		4	
Goodman, Richard L.	Cabarrus	W-912		5,498		33		1
Goose Creek Utility Company	Mecklenburg/Union	W-369	14,646	50,656	99	198	1	1
Goss Utilities	(2)	W-457	6,210		382		12	
Grandfather Golf & Country Club Utility, Inc.	Avery	W-755	32,530	48,828	183	170	2	2
Greenfield Heights Development Company, Inc.	Craven	W-205	6,044		24		1	
Green Spring Valley Mobile Estates	Wake	W-897	66,442	55,724	280	280	1	1
Gresham's Lake Utility Company, Inc.	Wake	W-633	38,958	28,413	19	17	1	1
Grove Supply Company	Rowan	W-587	2,304		24		1	

(1) This Company serves Cabarrus, Catawba, Iredell, Mecklenburg, and Rowan Counties.

(2) This Company serves Chatham, Durham, and Person Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1989

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
H & M Water Company, Inc.	Carteret	W-147	\$12,727		88		1	
Hare, John E.	Wake	W-417	2,846		16		1	
Harmony Heights Water Company	Hoke	W-896	20,457		97		1	
Hart Water Systems, Inc.	Catawba	W-739	24,234		172		2	
Harward's Realty & Insurance Company	Cabarrus	W-710	2,720		28		1	
Havelock Development Corporation	Craven	W-223	40,129		180		1	
Hawkins, Paul T., Company, Inc.	Rutherford	W-550	22,820		323		2	
Heater Utilities, Inc.	(1)	W-274	1,715,958		8,283		158	
Hendrix-Barnhill Company, Inc.	Pitt	W-658	4,152		42		1	
Heritage Water Company, Inc.	Wake	W-679	17,099		105		1	
Hickory Hills Service Company, Inc.	Lenoir	W-460	34,073		246		1	
High Hampton, Inc.	Jackson	W-574	10,745		89		1	
Holbrook, Mrs. M.L.	Gaston	W-433	2,396		26		1	
Holiday City Mobile Home Park	Onslow	W-913	29,103	\$35,960	375	375	1	1
Hollandale Water Company	Gaston	W-419	3,456		30		1	
Holly Hills Water	Jackson	W-855	2,913		19		1	
Holt, Edgar L., Subdivision Water System	Cabarrus	W-606	1,536		16		1	
Homestead Community Water	Pitt	W-452	5,748		36		1	
Honeycutt Water System	Gaston	W-472	12,085		72		3	
Honey Hill Water Company	Columbus	W-420	2,070		26		1	
Horse Creek Farms Utility Corporation	Onslow	W-888		5,299	35	35	1	1
Horseshoe Sewer	Henderson	W-916	8,104	7,472	39	39	1	1
Hudson Cole Development Corporation	Chatham	W-875		11,835	25	25	3	3
Huey, Wade	Buncombe	W-614	2,137		15		1	
Huffman, H. C., Water Systems, Inc.	(2)	W-095	86,744		457		11	
Hunter Water Company	(3)	W-534	19,023		112		2	
Hydraulics, Ltd.	Mecklenburg	W-218	615,164		2,902		67	
Hyland Hills Development Group	Moore	W-920	2,333		61		1	
Ideal Mobile Home Park	Wake	W-748	2,880		21		1	
Independence Water System	Union	W-858	3,445		20		1	
Inlet Bay Utilities	New Hanover	W-828	18,151	28,816	168	194	1	3
Jackson Utility Company	Jackson	W-448	180,546	126,934	1,738	601	1	1
Jewell, Gordon A.	Buncombe	W-651	3,278		38		1	
Johnston-Wake Utilities	Johnston/Wake	W-906	11,994		92		4	
Jones Dairy Farm Corporation	Wake	W-898		17,694		120		1
Jones, J. W.	Gaston	W-422	480		11		1	
Joycetown Water Works, Inc.	Caldwell	W-004	129,699		159		1	
Juniper Water Company	Mecklenburg	W-868	5,449		46		1	
Kennure	Henderson	W-904	0	0	0	0	1	1
Killian Water System	Catawba	W-298	2,066		27		1	

(1) This Company serves Durham, Franklin, Harnett, Johnston, Orange, Vance, Wake, and Wayne Counties.

(2) This Company serves Alexander, Burke, Caldwell, and Catawba Counties.

(3) This Company serves Alamance, Burke, Carteret, Catawba, Chatham, Cleveland, Davidson, Durham, Forsyth, Guilford, Moore, Orange, Randolph, Rockingham, Rowan, Stokes, and Surry Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1989

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Kings Grant Water Company	New Hanover	W-250	\$183,618		2,003		7	
Kirk Glen, Inc.	Buncombe	W-838	3,066		27		1	
Kitty Hawk Utilities, Inc.	Dare	W-859	0	\$0	0		0	0
L & L Construction, Inc.	Burke	W-854	5,362		35		1	
LaGrange Waterworks Corporation	Cumberland	W-200	751,216		4,916		23	
Lake Summit Corporation	Henderson	W-058	15,951		69		1	
Lee, Ira D. and Associates	Wake	W-876	11,478		87		1	
Lewis Water Company, Inc.	Gaston	W-716	43,953	14,876	422		12	
Lincoln Water Works	Lincoln	W-335	24,496		126		2	
Linville Ridge	Avery	W-766	33,381		235		1	
Little, C. F., Construction Company	Cabarrus	W-921	12,663		72		1	
Lone Pine Water Company	Edgecombe	W-451	16,412		59		1	
Looper, Clark Russell	Caldwell	W-501	2,058		17		1	
M-I Utility Corporation	Brunswick	W-338		2,197		3		1
M.D. Square, Inc.	Wake	W-865	1,460		23		1	
The Marmarose Company	Craven	W-770	7,788		47		1	
Marper, Inc.	Henderson	W-952	8,565		65		1	
Masonboro Utility, Inc.	New Hanover	W-952	15,097		127		2	
Matthews, B. E., Construction Co.	Catawba	W-641	2,803	24,570	21	127	1	2
Mauney, William K., Jr.	Mecklenburg	W-560	4,337		40		1	
McCullers Pines Subdivision	Wake	W-727	2,749		14		1	
McMahon, Harold	Randolph	W-791	6,530		62		1	
Mercer Environmental Corporation	Onslow	W-198	299,821	169,584	790	671	6	2
Mid South Water Systems	(1)	W-720	987,645	175,440	4,741	658	112	19
Miller, R.B., Jr.	Caldwell	W-493	1,952		23		3	
Millner Water Systems	Caswell	W-695	3,437		31		1	
Milstead Community Water System	Alexander	W-718	1,318		16		2	
Mineral Springs Mountain Water Supply	Burke	W-576	6,982		39		1	
Montclair Water Co., Inc.	Cumberland	W-173	431,941	559,929	4,902	3,603	20	17
Mountains Utility Company	Rutherford	W-808	136,856	82,782	698	389	28	14
Mulkey Homesites Water System	Cherokee	W-818	14,295		97		1	
Nags Head Village Service, Co., Inc.	Dare	W-882		46,742		188		1
Neuse Crossing Utilities	Wake	W-937	0	0	0	0	0	0
Niagara Water Company	Moore	W-059	2,048		25		1	
North Topsail Water & Sewer	Onslow	W-754		223,148		1,204		1
Northeast Craven Utility Company	Craven	W-696	169,146	215,276	2,867	2,835	1	1
Northwestern Woods Well System	Cabarrus	W-860	3,012		22		1	
Northwood Developers of Orange County	Orange	W-690	9,068		80		1	
Norwood Beach Water Systems	Stanly	W-498	6,825		59		2	

(1) This Company serves the following Counties: Alexander, Burke, Cabarrus, Catawba, Cleveland, Forsyth, Gaston, Henderson, Iredell, Lincoln, McDowell, Mecklenburg, Mitchell, Polk, Rowan, Rutherford, and Union.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1989

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Oak Ridge Water Systems, Inc.	Johnston	W-841	\$3,129		16		1	
Ogden Village Utilities	New Hanover	W-836		\$5,251		10		1
Old Farm Water System, Inc.	Rowan	W-568	3,501		79		1	
Outer Banks Beach Club, Inc.	Dare	W-887		115,998		N/A		1
Overhills Water Company	Cumberland	W-175	46,490		292		1	
P & H Water Company, Inc.	Cumberland	W-257	15,034		149	125	3	
Parrish & Weathers	Wake	W-880		10,862				1
Pate, Z. V., Inc.	Scotland	W-67	72,456		517		1	
Patterson, James D.	Gaston	W-276	3,483		28		1	
Paysours Water Works, Inc.	Gaston	W-278	7,299		92		1	
Pen Properties	Onslow	W-586	5,636		70		2	
Perrytown Water System	Bertie	W-594	1,842		15		1	
Piedmont Construction & Water Company, Inc.	(1)	W-262	535,609		2,318		42	
Pinehurst Water & Sanitary Co., Inc.	Moore	W-006	480,474	1,085,147	3,595	2,687	1	
Pleasant Gardens Water Department	Alexander	W-702	6,188		41		1	
Prior Construction Company, Inc.	Wake	W-567	17,922		125		1	
Quality Water Supplies, Inc.	New Hanover	W-225	217,841		1,495		14	
R.O.E. Water Utility	Buncombe	W-820	4,490		22		1	
Ridgecrest Baptist Conference Center	Buncombe	W-071	12,481		283		1	
River Dell Utilities, Inc.	Johnston	W-949	125		1		1	
Riverbend Water System, Inc.	Macon	W-390	21,318		97		1	
Rivercreek Utility Company	Pitt	W-930	4,395		39		1	
Riverhills, Inc.	Pitt	W-461		14,755		75		1
Riverview North Utilities	Wake	W-758	8,112		69		1	
Riviera Utilities of North Carolina	Franklin	W-665	146,106		N/A		N/A	
Robertson Brothers Utilities	Wake	W-837	3,340	3,327	27	27	1	1
Rock Barn Water System	Catawba	W-747	20,156		116		1	
Rock Creek Environmental Company	Onslow	W-830		2,647		18		1
Rockingham Realty Co., Inc.	Rockingham	W-704	4,028		38		1	
Rolling Springs Water Company, Inc.	Harnett	W-313	96,593	53,399	448	166	1	1
Rose Hill Associates Water Company	Pitt	W-677	16,121	16,121	260	260	1	1
Ross, Sanford E.	Haywood	W-618	1,136		28		1	
Ruff Water Company, Inc.	Gaston	W-435	117,965		535		8	
S & H Corporation of Wake County	Wake	W-806	1,584		11		1	
SRME Water System	Beaufort	W-733	5,679		52		1	
Sapphire Lakes Utility Company	Jackson	W-941	20,473	18,582	91	50	1	1
Scientific Water and Sewerage Company, Inc.	Onslow	W-176	178,808	260,192	1,035	1,096	5	6
Scotland Water Company	Scotland	W-426	31,594		245		4	
Scotsdale Water and Sewer, Inc.	(2)	W-883	114,392		655		12	
Sehorn Water Supply, Inc.	Cabarrus	W-773	3,585		20		1	
Sentry Utilities, Inc.	Onslow	W-811		45,964		223		2

(1) This Company serves Alexander, Catawba, and Iredell Counties.

(2) This Company serves Cumberland, Hoke, and Wake Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1989

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Shamrock Water Corporation	Catawba	W-432	\$5,101		60		1	1
Sherwood Forest Utility, Inc.	Transylvania	W-706		\$4,320		25		
Sherwood Forest Community Water System	Union	W-646	1,296		12		1	1
Silver Maples Mobile Estates	Cabarrus	W-776	710	3,417	7	29	1	
Skyland Drive Water System	Gaston	W-642	790		21		1	
Skyview Water System, Inc.	Gaston	W-293	10,050		68		1	
Smith, R. Wiley	Buncombe	W-792	7,888		29		1	
South Mountain Water Works	Burke	W-866	4,075		35		1	
Spring Hill Water Corporation	Scotland	W-247	3,980		19		1	
Spring Water Company	Onslow/Wake	W-337	19,835		155		2	
Springdale Water Company	Haywood	W-406	9,108	9,108	81	36	1	1
Springs Industries, Inc.	Scotland	W-650	2,582	2,361	39	31	1	1
Stony Brook Estates Water System	Johnston	W-295	4,775		30		1	
Sunset Park Utilities, Inc.	Cumberland	W-178	57,266	26,988	428	207	2	1
Surry Water Company, Inc.	(1)	W-314	214,263		1,109		28	
TET Utility Company, Inc.	Carteret	W-759		80,692		322		2
T.P.G. Utilities, Inc.	Transylvania	W-675	8,731		49		1	
T-Square Water Company	Forsyth	W-918	45,385		260		1	
Tarlton Real Estate Corporation	Catawba	W-657	5,940		121		4	
Terres Bend Water	Cabarrus	W-821	6,127		25		1	
Transylvania Utility Company	Transylvania	W-378	182,155	135,719	3,096	1,810	1	1
Treasure Cove Water Company	New Hanover	W-445	19,202		201		1	
Trexler Water System	Rowan	W-505	7,947		102		2	
Triangle Construction Company	Iredell	W-842	2,657		21		1	
Tulbert, Stephen E.	Iredell	W-842	1,980		11		1	
Turner, T.H. Farms, Inc.	Wake	W-687	32,296		224		4	
Vance Rural Water Systems, Inc.	Vance	W-890	4,248		30		1	
Viewmont Acres Water System	Buncombe	W-856	4,201		19		1	
Vila Pump Company	Moore	W-945	14,741		24		1	
W & K Enterprises	Catawba	W-611	3,250		29		2	
Wagner, Charles W.	Caldwell	W-889	1,710		19		1	
Wake Utilities, Inc.	Wake	W-891	0		0	0	0	0
Wastewater Services	Ashe	W-869	3,542	6,060	42	43	1	1
Water, Inc.	Cumberland	W-216	13,609		129		1	
Webb Creek Water and Sewer, Inc.	Onslow	W-864	1,356		4		1	
Weber Development Company	Avery	W-589	N/A		8		1	
West Wilson Water Company	Wilson	W-781	36,534		208		7	
Western Utilities Corporation	Stanly	W-229	0		0		4	
White, Billy	Bertie	W-600	300		12		1	
Willow Creek Builders, Inc.	Davidson	W-387		28,739		101		1
Wilson Water Service	Granville	W-554	2,992		49		3	
Windsor Lake Water Company	Wilson	W-523	6,095		68		1	

(1) This Company serves Davidson, Forsyth, Rowan, Surry and Yadkin Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1989

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Woodlake Utilities, Inc.	Moore Surry	W-789	\$21,563	\$19,122	261	192	1	1
Woods Water Works, Inc.		W-735	3,507		35		4	
Yadkin Water Corporation	Yadkin Rowan	W-585	2,585		22		1	
Yost, J.M.		W-514	1,780		11		1	
Total			\$18,090,655	\$6,618,307	99,587	30,294	1,071	191

N/A--Not Available
Total Number of Current Companies--250

FIGURE NO. 7-4

NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED
BY THE NORTH CAROLINA UTILITIES COMMISSION
Data Range 1978-89

Company	County	Docket Number	Date of Data	Annual Revenues		Number of Customers		Number of Systems	
				Water	Sewer	Water	Sewer	Water	Sewer
ALL Star Mobile Home Park	Wake	W-628	1988	\$0	\$0	237	220	1	1
Bellview Water System, Inc. Big, Inc.	Cleveland Transylvania	W-684 W-486	1979 1988	299 29,092		6 131		1 3	
Campen Carolina Corporation	Henderson	W-911	1987	0		0		1	
Carolina Trace Corporation	Lee	W-436	1988	98,594	94,990	747	686	1	1
Clear Meadow Water, Inc.	Mecklenberg	W-715	1982	3,895		40		2	
Clear Flow Utilities, Inc.	Rockingham	W-351	1981	3,869	7,141	389	275	1	1
Cleveland Water Systems	Cleveland	W-301	1988	15,569		160		1	
Coastal Plains Utilities Company	New Hanover	W-215	1988	111,984		631		5	
Colony Water of Morehead City, Inc.	Carteret	W-654	1979	2,450		31		1	
Combs, Robert F.	Iredell	W-328	1978	2,268		39		3	
Cook, L.V. Water Supply	Stanly	W-540	1979	5,965		104		2	
Country Hills Water Company	Union	W-609	1987	3,728		34		1	
Cumberland Water Company	Cumberland	W-169	1988	297,857	24,999	1,217	251	4	1
CWB Utilities, Inc.	Onslow	W-852	1988		15,276		20		1
D&W Water Systems	Gaston	W-929	1988	13,407		112		2	
Dees & Tyndall, Inc.	Wayne	W-973	1987		0		0		1
Dillard Grading Company	Jackson/Swain	W-340	1978	6,332		85		2	
Dockery's Water System	Gaston	W-721	1985	12,684		133		2	
Duncan, Gordon	Gaston	W-483	1987	1,136		14		1	
FDB, Inc.	Henderson	W-544	1983	70		11		1	
Falls, Ralph L., Water Systems	Gaston	W-268	1988	34,342		374		6	
Falls Utility Company	Wake	W-785	1988	3,240	2,315	26	24	1	1
Fisher Utilities	Johns./Lee/Wake	W-365	1988	248,502		747		18	
Foxhall Village Utilities	Wake	W-777	1988	19,620	29,431	252	252	1	1
Genoa Water Systems, Inc.	Wayne	W-321	1986	113,355		811		9	
Gensinger, John W.	Wake	W-549	1988	6,885		27		1	
H & A Water Services, Inc.	Stanly	W-510	1988	840		10		1	
H & H Development Company	Greene/New Han.	W-315	1988	1,792	16,440	31	45	1	1
Harrco Utility Corporation	Wake	W-796	1985	0	29,376	0	0	0	3
Hazelwood Water Company, Inc.	Edgecombe	W-749	1988	5,958		66		1	
Hensley Enterprises, Inc.	Gaston	W-089	1988	337,739		1,990		35	
Hilltop Subdivision Water System	Burke	W-863	1988	2,106		13		1	
Home Realty Co. & Insurance	Cabarrus	W-521	1986	2,275		42		1	
Hooper Valley Water Company	Henderson	W-794	1988	7,457		55		1	
Huffman, George W.	Catawba	W-424	1978	1,546		36		1	
Intech, Inc.	Wake	W-812	1988		58,086		0		5
Jackson Hamlet Water Company	Moore	W-575	1988	16,133		123		1	
Jackson, Harold L.	Wilson	W-494	1988	720		15		1	

FIGURE NO. 7-4 CONTINUED

NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED
BY THE NORTH CAROLINA UTILITIES COMMISSION
Data Range 1978-89

Company	County	Docket Number	Date of Data	Annual Revenues		Number of Customers		Number of Systems	
				Water	Sewer	Water	Sewer	Water	Sewer
Lake Terrace Water System, Inc.	Cleveland	W-683	1978	\$0		33		1	
Laurel Woods Water System	Gaston	W-694	1988	5,576		65		1	
Liberty Water Works, Inc.	Cumberland	W-954	1988	3,600	\$3,600	40	40	1	1
McRae Construction Company, Inc.	Anson	W-466	1984	963		62		1	
MAM Water & Sewer Corporation	Durham	W-772	1988	0	58,518	0	281	1	1
Maxwell Water Company	Cumberland	W-339	1988	3,757		34		1	
Mobile Heights Water System	Cumberland	W-690	1988	2,915		36		1	
Mobile Hill Estates Water System	Wake	W-515	1985	3,864		42		1	
Mountain Group	Avery	W-752	1984	31,858	0	171	31	1	1
Mullis, Giles E.	Cabarrus/Rowan	W-547	1988	5,664		44		5	
Nero Utilities	Wake	W-881	1988	0	0	0	0	1	1
North State Utilities	Durh/Meck/Wake	W-848	1988		0		49	10	
Oyster Bay Utilities	Brunswick	W-831	----		0		0	1	1
Parris, Steddy Durbin, Jr.	Union	W-563	1980	2,345	1,269	59	59	2	2
Pelican Trace	Brunswick	W-833	----		0		0	1	1
Peppertree Atlantic Beach Associates	Carteret	W-834	1988		1,046		1	1	1
Pied Piper Report, Inc.	Cherokee	W-893	1988	3,488		29		1	
Piedmont Carolina Construction, Inc.	Franklin	W-768	1988	1,822		19		1	
Piedmont Estates Water System	Randolph	W-581	1988	8,110		96		1	
Pines Utilities, Inc.	Onslow	W-822	1988		59,520		248	1	1
Pinnacle, Inc.	Harnett	W-922	1988	0		19		1	
Poplar Terrace Mobile Home Park	Buncombe	W-775	1988	630	0	11	11	1	1
Proctor Water Works	Gaston	W-663	1988	2,131		17		1	
Quail Hollow Water System	Cleveland	W-427	1979	1,552		27		1	
Rayco Utilities	(1)	W-899	1988	67,353	71,806	335	618	6	9
River Run Utilities	Brunswick	W-853	1988		16,713		18	1	1
Riverview Water System	Moore	W-723	1987	3,902		33		1	
Rollings Hills Mobile Home Park	Gaston	W-903	1988	6,292		41		1	
Rollingwood Water System, Inc.	Cleveland	W-428	1979	8,188		64		1	
S & G Development Corporation	Onslow	W-800	1984	17,280		120		1	
Sea Isle Water System	Dare	W-900	1988	0		18		1	
Setzer Brothers Well Boring, Inc.	Catawba	W-360	1988	22,394		133		3	
Seven Lakes Utilities, Inc.	Moore	W-955	1988	193,304		958		1	
Simco, Inc.	Union	W-356	1979	1,732		30		1	
South Rowan Investment Corporation	Rowan	W-807	1988	1,568		18		1	
Spring Valley Water System	Catawba	W-425	1988	1,002		18		1	
Stony Oaks Water System	Gaston	W-782	1988	927		8		1	
Tarts Investment Corporation	Harnett	W-741	1987	2,237		31		1	

(1) This Company serves Alamance, Cabarrus, Forsyth, Franklin, Randolph, Rowan, and Stokes Counties.

FIGURE NO. 7-4

NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED
BY THE NORTH CAROLINA UTILITIES COMMISSION
Data Range 1978-89

Company	County	Docket Number	Date of Data	Annual Revenues		Number of Customers		Number of Systems	
				Water	Sewer	Water	Sewer	Water	Sewer
Tobacco Branch Village, Inc.	Graham Davie Wake	W-504	1988	1,350		39		1	
Tri-South Construction Company, Inc.		W-849	1988	\$525		11		1	
Twin Lake Properties		W-914	----	0		1		1	
United Systems Company	Mecklenburg Jackson Wake	W-886	----		\$0		0		1
University Heights		W-760	1985						
Utility Systems, Ltd.		W-463	1988	4,467	11,215	41	89		1
Valleydale Water Company	Gaston Onslow	W-272	1988						
Viking Utilities, Inc.		W-740	1988	4,438	29,869	46	320	1	1
Westgate Utilities Company, Inc.	Wake Rockingham Wilson Orange Henderson	W-239	1988	1,056		8		1	
Wilson, Mitchell B.		W-602	1988	8,799		59		2	
Wilson Water Systems		W-698	1988	16,533		134		1	
Windham Mobile Home Park		W-804	1988	1,319		13		1	
Woodhaven Water System		W-805	1988	2,901		49		1	
TOTAL				\$1,857,551	\$531,610	11,751	3,538	169	51

----- Twin Lakes and United Systems Company have never filed annual reports. They are not operating yet.

Total Noncurrent Companies--90

FIGURE NO. 7-5

SELECTED FINANCIAL AND STATISTICAL DATA OF COMPANIES COMPRISING THE LARGEST WATER UTILITY
REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION
Data for the Year Ended December 31, 1989

ITEM	Brookwood Water Corporation	Duke Power Company	Heater Utilities	Hydraulics Limited	La Grange Waterworks Corporation	Piedmont Construction & Water Company	Quality Water Supplies	Total
INCOME STATEMENT ITEMS:								
Total Revenue	\$518,685	\$2,432,190	\$1,715,958	\$615,164	\$751,216	\$535,609	\$217,841	\$5,281,997
Operation & Maintenance Expenses	\$428,610	\$992,119	\$1,121,636	\$484,393	\$545,208	\$424,955	\$222,538	\$3,026,758
Depreciation & Amortization Expenses	28,520	270,558	170,245	95,306	102,016	74,886	29,278	564,629
Federal & State Income Taxes	17,490		66,003	2,148		1,561	12,916	85,641
Other Taxes	37,908	182,653	127,794	19,430	36,898	36,945		367,785
Total Operating Expenses	\$512,528	\$1,445,330	\$1,485,678	\$601,277	\$684,122	\$538,347	\$264,732	\$4,044,813
Net Operating Income	\$6,157	\$986,860	\$230,280	\$13,887	\$67,094	(\$2,738)	(\$46,891)	\$1,237,184
Operating Ratio	98.8%	59.4%	86.6%	97.7%	91.1%	100.5%	121.5%	76.6%
Other Income & Expense (Includes Interest)	(2,823)	0	112,183	(5,699)	(14,237)	8,485	(1,193)	103,661
Net Income	\$3,334	\$986,860	\$342,463	\$8,188	\$52,857	\$5,747	(\$48,084)	\$1,340,845
BALANCE SHEET ITEMS:								
Gross Plant in Service	\$3,376,932	\$13,644,625	\$9,333,977	\$592,413	\$2,163,804	\$874,075	\$934,828	\$26,947,947
Less Depreciation Reserve	2,278,612		2,278,612	189,907	622,353	516,302	356,831	4,747,131
Net Plant in Service	\$1,098,320	\$13,644,625	\$7,055,365	\$402,506	\$1,541,451	\$357,773	\$577,997	\$22,200,816
*Contributions in Aid of Construction	\$8,352,719		\$8,352,719	\$1,635,593	\$1,228,032	\$91,051	\$556,570	\$18,341,031
*Plant Acquisition Adjustment	\$1,112,559		\$2,906,124		\$8,726	\$0		\$4,018,683
STATISTICS:								
Total Customers	6,111	4,190	8,283	2,902	4,916	2,318	1,495	21,486
Total Water Consumption (000s gallons)	409,926	1,528,076	569,311	154,276	427,690	133,030	124,715	2,661,589
Operation & Maintenance Expense	\$70.14	\$236.78	\$135.41	\$166.92	\$110.90	\$183.33	\$148.85	\$140.87
Per Total Customer	\$83.87	\$344.95	\$179.36	\$207.19	\$139.16	\$232.25	\$177.08	\$188.25
Total Expense per Total Customer	\$552.60	\$3,256.47	\$1,126.88	\$204.14	\$440.16	\$377.08	\$625.30	\$1,254.21
Gross Plant Investment per Total Customer	0.8%	2.0%	1.8%	16.1%	4.7%	8.6%	3.1%	2.1%
Depreciation Expense as % of Gross Plant	\$483,010	\$712,519	\$1,701,512	\$482,132	\$529,630	\$15,592	\$210,668	\$3,379,173
Residential Revenue (Metered)	5,693	3,533	7,771	1,873	4,916	61	1,485	18,870
Residential Customers (Metered)	483,010	210,662	569,311	154,276	427,690	133,030	120,946	1,417,259
Residential Water Used (Metered)(000s gallons)	84,843	59,627	73,261	82,368	87,000	2,180,820	81,445	75,106
Average Gallons Used Per Residential Customer	\$84.84	\$201.68	\$218.96	\$257.41	\$107.74	\$255.61	\$141.86	\$179.08

*These amounts are included in the "Gross Plant in Service" account. They are shown separately because they are generally excluded from the plant investment account for general ratemaking purposes.

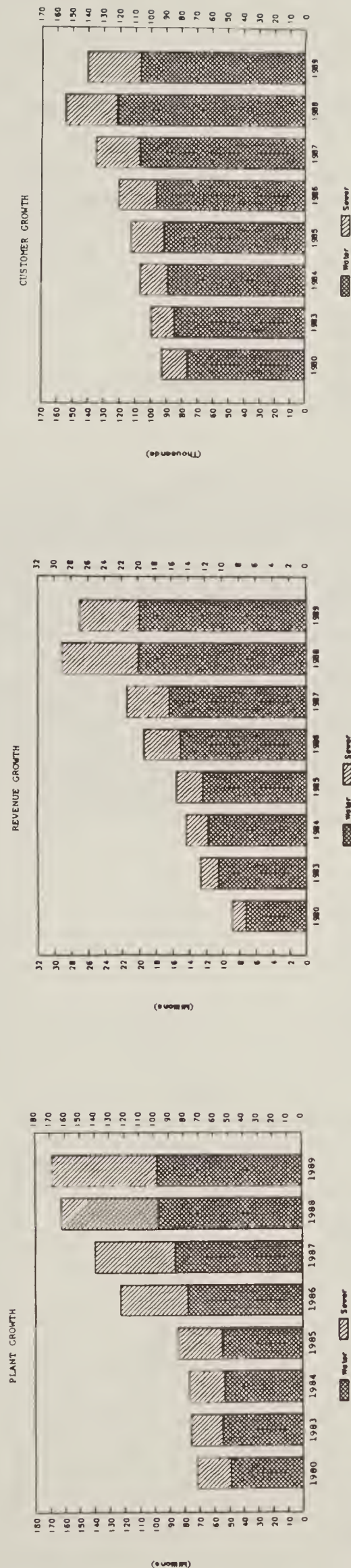
FIGURE NO. 7-6

SELECTED FINANCIAL AND STATISTICAL DATA OF COMPANIES COMPRISING THE LARGEST WATER/SEWER UTILITY OPERATIONS
REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION
Data for the Year Ended December 31, 1989

ITEM	Cape Fear Utilities Inc.	Carolina Water Service of N.C., Inc.	Mercer Environmental Corporation	Mid-South Water System	Montclair Water Company	Pinehurst Enterprises	Scientific Water & Sewerage Company, Inc.	Total
INCOME STATEMENT ITEMS:								
Total Revenue	\$801,728	\$5,463,545	\$469,405	\$1,163,085	\$991,870	\$1,564,621	\$439,000	\$7,897,763
Operation & Maintenance Expenses	\$445,168	\$3,888,843	\$389,999		\$974,328	\$1,075,620	\$339,025	\$4,724,010
Depreciation & Amortization	141,720	450,572	17,256		111,828	103,334	130,006	609,548
Federal & State Income Taxes		(8,641)	6,577			5,758		(2,064)
Other Taxes	53,815	368,458	34,546	7,795	80,596	109,236	34,007	464,614
Total Operating Expenses	\$640,703	\$4,699,232	\$448,378	\$7,795	\$1,166,752	\$1,293,948	\$503,038	\$5,796,108
Net Operating Income	\$161,025	\$764,313	\$21,027	\$1,155,290	(\$174,882)	\$270,673	(\$64,038)	\$2,101,655
Operating Ratio	79.9	86.0	95.5	0.7	117.6	82.7	114.6	73.4
Other Income & Expense (Includes Interest)	13,129	(673,145)	3,790	(997,429)	20,443	(245,406)	7,576	(1,653,655)
Net Income	\$174,154	\$91,168	\$24,817	\$157,861	(\$154,439)	\$25,267	(\$56,462)	\$448,000
BALANCE SHEET ITEMS:								
Gross Plant in Service	\$5,788,237	\$40,853,825	\$1,841,957	\$726,634	\$3,574,064	\$4,365,799	\$3,720,680	\$49,210,653
Less Depreciation Reserve	1,020,431	3,094,597	643,490	67,813	1,375,783	1,348,469	669,387	4,826,331
Net Plant in Service	\$4,767,806	\$37,759,228	\$1,198,467	\$658,821	\$2,198,281	\$3,017,330	\$3,051,293	\$44,384,322
*Contributions in Aid of Construction	\$3,730,338	\$18,022,031	\$1,486,282		\$3,670,226	\$602,324	\$3,532,346	\$23,238,651
*Plant Acquisition Adjustment		\$240,874						\$240,874
STATISTICS:								
Total Customers	4,552	16,940	1,461	4,741	4,902	3,595	2,131	27,694
Total Water Consumption (000s gallons)	334,179	1,139,756	114,362	N/A	301,817	383,030	N/A	1,588,297
Operation & Maintenance Expense Per Total Customer	\$97.80	\$229.57	\$266.94	\$0.00	\$198.76	\$299.20	\$159.09	\$170.58
Total Expense per Total Customer	\$140.75	\$277.40	\$306.90	\$1.64	\$238.02	\$359.93	\$236.06	\$209.29
Gross Plant Investment per Total Customer	\$1,271.58	\$2,411.68	\$1,260.75	\$153.27	\$729.10	\$1,214.41	\$1,745.98	\$1,776.94
Depreciation Expense as % of Gross Plant	2.4%	1.1%	0.9%	0.0%	3.1%	2.4%	3.5%	1.2%
Residential Revenue (Metered)	\$506,150	3,654,178	\$288,996	N/A	\$344,908	\$425,696	\$178,618	\$5,398,546
Residential Customers (Metered)	3,579	16,110	1,605	N/A	4,804	3,595	N/A	29,693
Residential Water Used (Metered)(000s gallons)	296,605	1,130,756	114,362	N/A	301,817	383,030	N/A	2,226,570
Average Gallons Used Per Residential Customer	82,874	70,190	71,254	N/A	62,826	106,545	N/A	74,986
Average Revenue per Residential Customer	\$141.42	\$226.83	\$180.06	N/A		\$118.41	N/A	\$181.81

*These amounts are included in the "Gross Plant in Service" account. They are shown separately because they are generally excluded from the plant investment account for general ratemaking purposes.
N/A--Not Available

PLANT, REVENUE, AND CUSTOMER GROWTH OF ALL REGULATED
WATER & SEWER COMPANIES IN NORTH CAROLINA
FOR THE YEARS 1980, 1983, 1984, 1985, 1986, 1987, 1988 & 1989



	1980	1983	1984	1985	1986	1987	1988	1989
Water: Plant	\$48,855,000	\$54,257,660	\$52,500,253	\$54,351,108	\$77,183,496	\$86,025,584	\$96,827,628	\$97,942,947
Revenues	\$ 7,324,000	\$10,568,833	\$11,805,041	\$12,414,477	\$16,109,945	\$16,373,061	\$20,149,563	\$19,948,206
Customers	76,581	84,992	89,186	91,232	96,269	107,145	121,654	111,338
Sewer: Plant	\$22,514,000	\$21,172,699	\$23,804,493	\$29,495,306	\$45,289,998	\$53,917,245	\$65,249,914	\$70,840,727
Revenues	\$ 1,543,000	\$ 2,081,889	\$ 2,595,220	\$ 3,093,387	\$ 4,283,345	\$ 5,062,260	\$ 9,088,189	\$ 7,149,917
Customers	16,187	14,564	17,354	20,810	23,885	27,660	33,204	33,832
Number of Companies	398	375	378	386	380	383	393	340

FIGURE NO. 7-8

COMPARATIVE MONTHLY CHARGES FOR RESIDENTIAL WATER & SEWER SERVICE IN NORTH CAROLINA
AT AUGUST 31, 1990

WATER			
Nonregulated Systems - Inside City Limits			
Publicly Owned Systems	3,000 gal.	6,000 gal.	9,000 gal.
Asheville	\$10.58	\$19.54	\$28.50
Charlotte	4.38	7.26	10.14
Greensboro	2.76	5.52	8.28
Raleigh	5.57	9.73	13.89
Wilmington	5.36	10.72	16.08
Winston-Salem	3.09	6.18	9.26
Average-(Simple)	\$5.29	\$3.68	\$14.36

WATER			
Regulated Systems - Inside Service Area			
Privately Owned Systems Regulated by Commission (Class B or Larger)	3,000 gal.	6,000 gal.	9,000 gal.
Brookwood Water Corporation	\$6.02	\$9.02	\$12.02
Duke Power Company	12.52	19.59	26.66
Hensley Enterprises, Inc.	10.38	14.46	18.54
LaGrange Waterworks Corporation	5.52	8.04	10.56
Piedmont Construction & Water Company	13.21	19.81	32.39
Quality Water Supplies, Inc.	8.84	12.68	16.52
Surry Water Company, Inc.	9.23	13.80	18.55
Average-(Simple)	\$9.39	\$13.91	\$19.32

SEWER			
Nonregulated Systems - Inside City Limits			
	3,000 gal.	6,000 gal.	9,000 gal.
Asheville	\$16.16	\$23.12	\$30.08
Charlotte	5.46	9.42	13.38
Greensboro	3.60	7.20	10.80
Raleigh	4.42	7.86	11.30
Wilmington	7.12	14.24	21.36
Winston-Salem	2.97	5.94	8.90
Average-(Simple)	\$6.62	\$11.30	\$15.97

SEWER			
Regulated Systems - Inside Service Area			
Privately Owned Systems Regulated by Commission (Class B or Larger)	3,000 gal.	6,000 gal.	9,000 gal.
Associated Utilities, Inc.	\$14.47	\$14.47	\$14.47
Cape Fear Utilities, Inc.	20.00	20.00	20.00
Carolina Blythe Utility Company	6.30	8.40	10.50
Carolina Water Service of North Carolina	25.10	25.10	25.10
Mercer Environmental Corporation	20.50	20.50	20.50
Montclair Water Company, Inc.	10.49	14.93	19.37
Transylvania Utility Company	7.50	12.00	16.50
Average-(Simple)	\$14.91	\$16.49	\$18.06

VIII. Securities, Audits, And Annual Reports

A. SECURITIES ISSUES

The Commission approved 11 applications for the issuance of electric, gas, and telephone securities and borrowings during 1990 compared with 11 applications in 1989. The 1989 and 1990 applications covered \$1,064,109,600 and \$1,064,109,600 respectively.

The securities applications are processed by personnel in the Finance, Statistics, and Fiscal Affairs Division of the Commission Staff, and reports and recommendations are made to the Commissioners. These reports evaluate and consider many factors such as: (1) the present and projected earnings position of the company, (2) the effect of the projected issue on the company's capital structure, (3) the expense of the issue, (4) the estimated net yield, (5) the probable market price per unit, (6) the purpose of the issue, (7) the use to which the proceeds are to be applied, (8) whether the issue is compatible with the overall public interest, and (9) the merits of the proposed method of marketing the securities; i.e., by competitive bidding, negotiations, or private placement.

The new capital raised through the sale of securities is primarily for the replacement of short-term borrowings, which have been used largely for new utility plant construction, modernization, and improvement of existing plant to meet increased demands for additional and improved service. However, in recent years there has been an increasing amount of new securities issued to redeem existing higher cost preferred stock and long-term debt issues. Figure No. 8-1 shows detailed data for each issue of securities approved by the Commissioners in 1990 or in some cases the actual sale of securities approved in prior years by the Commission in Conference with the SEC 415 Shelf Registration Rule.

B. AUDITS AND EXAMINATIONS--COMMENTS

Personnel of the Commission's

Public Staff Accounting Division perform extensive audits of the operations of public utilities. The results of each of these audits are a part of the Public Staff's position on matters before the Commission, and they are filed with the Chief Clerk as an official document if they are part of a general rate case proceeding. A brief summary of audits and special studies for 1989 follows:

Utility & Type Audit	1989 No. of Exams
Electric	
General Rate Case	1
Fuel Clause Cases	3
Gas	
General Rate Case & Earnings Investigation	1
Change in Cost of Purchased Gas, Exploration Refunds	20
Telephone	
General Rate Case	0
Toll Revenue Increase	0
Water and Sewer	24
Motor Freight & Motor Passenger	
Operating Ratios & Tariffs	120
Total	169

C. ANNUAL REPORTS--COMMENTS

For the years 1988 and 1989, there were 2,044 and 2,137 utilities, respectively, regulated by the Utilities Commission. This number includes 81 nonregulated municipal utility systems. The regulated utilities and the municipal utility systems' annual reports required to be filed with the Commission are prepared by the Commission's Public Staff Accounting Division. All completed and returned annual reports of the larger utilities are reviewed in detail by the Accounting personnel of the Public Staff for compliance with the Uniform System of Accounts. At the present time, not all Cellular, Radio Common Carriers, COCOTS and Municipal Utilities file reports.

FIGURE NO. 8-1
SECURITIES ISSUES--NEW CAPITAL (Primarily) FOR THE CALENDAR YEAR 1990
AMOUNTS AUTHORIZED FOR TOTAL COMPANY OPERATIONS

COMPANY	DOCKET NUMBER	TYPE OF SECURITY OR TRANSACTION	TYPE SALE*	FACE AMOUNT	ACTIVITY DATES		PRICE PER SHARE OR STATED INTEREST RATE	FACE AMOUNT SOLD	UNDERWRITER'S COMMISSION	YIELD AT OFFERING	NET COST TO COMPANY	NET PROCEEDS TO COMPANY BEFORE EXPENSES	COMMENTS
					ORDER	CLOSING							
ELECTRIC: Carolina Power & Light Company	E-2 Sub 549	Medium Term Notes - Maturity Date 7/20/92	N	\$25,000,000	1-12-89	7-19-90	8.57%	\$25,000,000	\$62,500 (-.25%)	8.57	8.71	\$24,937,500	Funds used to reduce short term debt and finance construction projects.
	E-2 Sub 549	Medium Term Notes - Maturity Date 7/20/95	N	\$25,000,000	1-12-89	7-20-90	8.86%	\$25,000,000	\$125,000	8.86	8.99	\$24,875,000	Funds used to reduce short term debt and for construction projects.
	E-2 Sub 549	1st Mortgage Bonds - 5 Years-Maturity 11/1/95	N	\$23,000,000	1-12-89	10-26-90	8.85	\$23,000,000	\$150,000 (-.50%)	8.85	8.98	\$22,885,000	Funds used to reduce short term debt and for construction projects.
	E-2 Sub 570	Long Term Debt - Shelf Registration Not to Exceed 300,000,000	N	\$100,000,000	1-8-90	11-28-90	8.125	\$100,000,000	\$350,000 (-.35%)	8.27	8.370	\$99,363,000 *	Funds used to redeem 1st Mortgage bonds with 11.75% Coupon *Reflects Discount from PAR of \$287,000
	E-2 Sub 575	Pollution Control Revenue Funding Bonds. Maturity Date 6-15-2014.	N	\$70,000,000 \$70,000,000 \$140,000,000	3-12-90 3-7-90 4-25-90	Variable Variable	Variable Variable	\$70,000,000 \$70,000,000	\$245,000 \$175,000		5.70%-5.90% 6.35%-6.40%	\$70,000,000 \$70,000,000	Proceeds from bonds will refinance two series B & C of Pollution Control Bonds issued in 1984 each having face value of \$10 Million, annual interest rates of 8.25% and 8.625%. Interest cost of new bonds estimated to produce net savings of \$2 million annually for CP&L and ratepayers
Duke Power Company	E-7 Sub 465	1st Mortgage Bonds/Other Debt Securities Approved For Shelf Registration SEC Rule 415 *Proceeds Used to Refund Existing Pollution Control Bonds	D	\$440,000,000	5-3-90 5-3-90	5-23-90 5-8-90	6.00% 10.125%	\$40,000,000 A \$150,000,000 Series B Due 2020	\$744,000 (-.496%)	10.21%	6.00% 10.26%	\$40,000,000 A \$148,035,000	Debt Securities to be sold as needed and under favorable market conditions. Securities Registered with SEC under Rule 415-Shelf Registration which provides flexibility in marketing
	E-7 Sub 422	Long Term Debt Securities Approved for Shelf Registration by Commission Dated 6-10-87	C	\$200,000,000	6-10-87	2-13-90	9.875%	\$200,000,000 Series Due 2020	\$992,000 (-.496%)	9.71%	9.76%	\$197,258,000	Part of proceeds used to redeem \$62,916,000 of 12-5/8% Bonds Outstanding Series due 2015. Remaining funds used to finance Construction Programs
TOTAL ELECTRIC COMPANIES				\$1,093,000,000				\$703,000,000	\$2,843,500			\$697,353,500	

*N-Negotiated, P-Private Placement, I-Internal, C-Competitive, D-To be Decided

FIGURE NO. 8-1 CONTINUED
SECURITIES ISSUES--NEW CAPITAL (Primarily) FOR THE CALENDAR YEAR 1990
AMOUNTS AUTHORIZED FOR TOTAL COMPANY OPERATIONS

COMPANY	DOCKET NUMBER	TYPE OF SECURITY OR TRANSACTION	TYPE SALE*	FACE AMOUNT	ACTIVITY DATES ORDER CLOSING	PRICE PER SHARE STATED INTEREST	FACE AMOUNT SOLD	UNDERWRITER'S COMMISSION	YIELD AT OFFERING	NET COST TO COMPANY	NET PROCEEDS TO COMPANY BEFORE EXPENSES	COMMENTS
GAS:												
Pennsylvania & Southern Gas Company	G-3 Sub 162	1st Mortgage Bonds - 9-1/2% Due 4-1-2000	P	\$6,000,000	4-17-90 5-23-90	9.50%	\$6,000,000		9.50%	9.50%	\$6,000,000	Bonds to be sold to Western Woodmen of America (\$5 Million) and Royal Neighbors of America (\$1 Million). Proceeds to reduce short-term loans used for construction purposes and to apply portion of funds to construction and maintenance programs designed to bring MC facilities up to safety standards of MGC Natural Gas Pipeline Safety Section
North Carolina Natural Gas	G-21 Sub 282	Common Stock 300,000 Shares	I	300,000 shares	4-27-90							100,000 shares of common to be used as needed in Employee Stock Purchase Plan-200,000 Shares to be used as needed in Key Employee Stock Option Plan. Purchase price of stock to employees to be 90% of FMV. Employee Purchase Plan effective through June 1, 1994, Key Employee Stock Option Plan effective for 10 years after adoption by Board of Directors
Public Service Company of N. C.												
TOTAL GAS COMPANIES				\$6,000,000			\$6,000,000				\$6,000,000	
TELEPHONE:												
Central Telephone Company	P-10 Sub 443	1st Mortgage Bonds - Registered under SEC Rule 415 for Sale at an Opportunity Time	D	\$150,000,000	6-26-90 Various Times							Proceeds from the sale of these bonds will be used to fund its construction program and refinance outstanding debt securities with high interest rates if the opportunity exists. Central operates in 4 states (Iowa, Minnesota, Nevada, and North Carolina) with North Carolina comprising about 23% of total plant investment.
GTE South, Inc.	P-19 Sub 231	1st Mortgage Bonds and/or Promissory Notes Approved For Shelf Registration SEC Rule 415-Series "GG" 1st Mortgage Bonds *Note-On June 29, 1990 Company redeemed \$72,750,000 of its Series BB 13-3/8%	C	Sold 125,000,000 out of 200,000,000 authorized. 40 Year Bonds GG Series	5-10-90 6-28-90	9.375	\$125,000,000	\$575,000 (.46%)	9.69	9.75	\$120,231,000	Original Application for \$150,000,000 later amended to \$200,000,000 for Shelf Registration under SEC Rule 415. Proceeds for use in Construction Programs and possibly refunding a higher coupon debt should the opportunities arise. MC assets equal .11% of total GTE South.

*N-Negotiated, P-Private Placement, I-Internal, C-Competitive, D-To Be Decided

FIGURE NO. 8-1 CONTINUED
SECURITIES ISSUES--NEW CAPITAL (Primarily) FOR THE CALENDAR YEAR 1990
AMOUNTS AUTHORIZED FOR TOTAL COMPANY OPERATIONS

COMPANY	DOCKET NUMBER	TYPE OF SECURITY OR TRANSACTION	TYPE SALE*	FACE AMOUNT	ACTIVITY DATES		PRICE PER SHARE STATED INTEREST	FACE AMOUNT SOLD	UNDERWRITER'S COMMISSION	YIELD AT OFFERING	NET COST TO COMPANY	NET PROCEEDS TO COMPANY BEFORE EXPENSES	COMMENTS
					ORDER	CLOSING							
TELEPHONE CONTINUED:													
Concord Telephone Company	P-16 Sub 164	Class B - Non-Voting Common Stock	I	2,000 Shares Average Market Price-Option Grant Date	3-12-90								Authorized to sell up to 2,000 shares of common non-voting class B to key employees under terms of 1989 Executive Stock Option Plan. Terms of plan not to exceed 10 years (April 22, 1999).
TOTAL TELEPHONE COMPANIES				\$150,000,000				\$125,000,000	\$575,000			\$120,231,000	
GRAND TOTALS				\$1,249,000,000				\$834,000,000	\$3,418,500			\$823,584,500	

*N- Negotiated, P-Private Placement, I-Internal, C-Competitive, D-To be Decided



IX. The Transportation Industry — Motor Freight Carriers

MOTOR FREIGHT CARRIERS

A. CLASSIFICATION OF MOTOR FREIGHT CARRIERS

Motor freight carriers are divided into three groups according to annual operating revenues. In effect since January 1, 1980 (Docket No. M-100, Sub 68), carriers having annual carrier operating revenues of \$5 million or more are Class I carriers. Class II carriers have annual carrier operating revenues of at least \$1 million but less than \$5 million. Carriers having annual carrier operating revenues of less than \$1 million are considered Class III carriers. All motor freight carriers that have authority to operate in North Carolina are required to file an annual report with the North Carolina Utilities Commission. Failure to file this report could be grounds for the cancellation of their operating authority by the Commission. Enforcement and compliance with the filing of annual reports on a timely basis requires a continuing effort by the Commission personnel. On December 31, 1989, there were 1,136 motor freight carriers with authority to operate in North Carolina. On December 31, 1989, there were 993 motor freight carrier annual reports filed with the North Carolina Utilities Commission.

B. DUTIES OF THE TRANSPORTATION DIVISION

Intrastate

The Commission Staff Transportation Division is charged with the economic regulation of certified motor freight carriers operating within the borders of this State. All applications for new authority grants, transfers of certificates, and cancellations of certificates are handled through this Division.

The Public Staff Transportation Rates Division has the responsibility for maintaining up-to-date files of current rate and service tariffs of all

intrastate transportation utility companies. In addition the Public Staff reviews all applications for new or amended rate tariffs. In contested rate cases, rulemaking investigations, abandonments, mergers, and related matters, the Public Staff presents testimony in support of the position of the using and consuming public before the Commission.

The Public Staff has developed and implemented ratemaking rules and procedures designed to provide cost-of-service data for the North Carolina portion of service furnished by the various transportation companies under regulation. The purpose of the cost data is to assure that the companies charge the lowest level of reasonable rates.

The Public Staff offers technical assistance to the Commission and the general public in dealing with transportation matters.

C. COMMISSION ACTIVITIES

During 1989 a total of 136, or 49% of the Commission's 279 formal hearings were related to the trucking industry; for 1988 the number of truck hearings was 105 and represented 43% of the 246 formal hearings. A recent amendment to the Public Utilities Act provides that if no protests are filed in opposition to the truck application, the hearing may be canceled with the matter decided on sworn shipper affidavits. The majority of truck applications are decided in this manner. The Commission sometimes settles tariff filings and other filings based on Public Staff and Commission Staff studies and recommendations presented at Monday morning conference sessions.

D. IMPACT OF MOTOR CARRIER ACT OF 1980

A federal bill (Senate Bill 2245) to encourage the deregulation of the trucking industry was signed into law on July 1, 1980. The Motor Carrier Reform Act of 1980 was designed to reduce unnecessary regulation by the Federal

government. This act increases entry and opportunities for new firms to operate in the trucking industry with less interference than previously from the Federal government.

The Motor Carrier Reform Act of 1980 provided a three-year transition to the new regulatory environment with major changes in ratemaking beginning in July 1983. This act is Federal legislation and, therefore, affects only interstate commerce. The number of interstate vehicles registered with the N. C. Division of Motor Vehicles has increased significantly since the passage of the 1980 Motor Carriers Reform Act.

The following tabulation shows motor carriers which hold authority from the Commission classified by type:

Type	1988	1989
Common	812	862
Contract	197	199
Common and Contract	<u>64</u>	<u>75</u>
Total	1,073	1,136

"Common carrier by motor vehicle" means any person who holds himself out to the general public to engage in the transportation by motor vehicle in intrastate commerce of persons or property of any class or classes there-of for compensation, whether over regular or irregular routes, except as exempted in G.S. 62-260.

"Contract carrier by motor vehicle" means any person who, under an individual contract or agreement with another person as may be approved by the Utilities Commission, engages in the transportation referred to in the above paragraph, by motor vehicle of persons or property in intrastate commerce for compensation, except as exempted in G.S. 62-260.

E. SUMMARY OF OPERATING DATA

A list of the Class I and II motor freight carriers with selected operating financial data is shown in Figure Nos. 9-1 and 9-2. Figure No. 9-3 provides a list of Class I and II carriers whose authority was granted in 1989. A summary of selected data for the Class I and II carriers for the 1989 calendar year is shown in Figure No. 9-4. It should be noted that the operating revenues for North Carolina are from freight moved on intrastate tariffs regulated by the North Carolina Commission only; therefore, they account for a very small percentage of the total revenues generated by this group of carriers. Reports for years prior to 1979 have shown total North Carolina revenues to be about 8% to 10% of total systemwide revenues. The prior years' data included revenues which were generated from freight moved on both North Carolina (intrastate) and Interstate Commerce Commission (interstate) tariffs.

A list of the Class III motor freight carriers, with total company revenues is shown in Figure No. 9-5. Figure No. 9-6 shows the Class III motor carriers whose authority was granted in 1989 and Figure No. 9-7 lists those carriers who were inactive in 1989.

A list of all requests for rate increases for 1989 are shown in Figure No. 9-8.

There were 842 Class III motor carriers, active and inactive, required to file 1989 annual reports with the North Carolina Utilities Commission. Often useful data for many of the Class III carriers is not available and in many instances is nonexistent. Therefore, discretion should be exercised in using Class III data for comparative purposes. The reported data does not reflect information for all the certified Class III motor carriers operating in North Carolina.

FIGURE NO. 9-1

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1989 and 1988
(Dollars in 000s)

CLASS I	TOTAL COMPANY DATA					NORTH CAROLINA		
	Revenues		Expenses		Net Operating Income	Operating Ratios		Average Number of Employees
	1989	1988	1989	1988		1989	1988	
MOTOR FREIGHT CARRIERS								
Mobile Home Movers:								
Barrett Mobile Home Transport, Inc.	\$18,759	\$19,882	\$18,209	\$19,341	\$550	97.1%	97.3%	3
Morgan Drive Away, Inc.	62,484	59,779	60,907	57,821	1,577	97.5%	96.7%	10
MTC of America, Inc.	28,409 (A)	39,017	28,854	38,862	(445)	101.6%	99.6%	5
Transit Homes of America, Inc.	24,643	24,425	25,304	24,556	(661)	102.7%	100.5%	0
TOTAL (4)	\$134,295	\$143,103	\$133,274	\$140,580	\$1,021	99.2%	98.2%	18
Household Goods Movers:								
Burnham Service Company, Inc.	\$93,326	\$96,144	\$88,238	\$87,520	\$5,088	94.5%	91.0%	115
Byrd Motor Line, Inc.	9,044	9,751	9,118	9,664	(74)	100.8%	99.1%	183
Lawrence Transportation Systems, Inc.	12,405	12,270	14,369	13,574	(1,964)	115.8%	110.6%	135
Stevens Van Lines, Inc.	15,125	14,473	14,410	13,544	715	95.3%	93.6%	0
TOTAL (4)	\$129,900	\$132,638	\$126,135	\$124,302	\$3,765	97.1%	93.7%	433
General Freight Carriers:								
AAA Cooper Transportation	\$136,375	\$116,472	\$122,913	\$102,330	\$13,462	90.1%	87.9%	91
ABF Freight System, Inc.	630,144	616,774	610,886	590,759	19,258	96.9%	95.8%	382
ADM Trucking, Inc.	33,607	29,792	31,336	27,022	2,271	93.2%	90.7%	23
Action Transit Company	5,882	6,801	5,846	6,717	36	99.4%	98.8%	0
Allied Systems, Ltd.	199,579	189,870	199,204	185,630	375	99.8%	97.8%	125
Altman Transport Lines, Inc.	53,824	54,182	53,847	54,354	(23)	100.0%	100.3%	100
Anderson Truck Line, Inc.	5,790	6,075	5,823	6,205	(33)	100.6%	102.1%	137
Associated Petroleum Carriers, Inc.	30,439	35,596	30,683	35,688	(244)	100.8%	100.3%	0
Atlanta Motor Lines, Inc.	23,507	22,835	22,647	21,287	860	96.3%	93.2%	45
B & P Motor Lines, Inc.	6,281 (B)	16,841	7,016	15,638	(735)	111.7%	92.9%	136
B.I. Transportation, Inc.	62,860	66,735	59,684	58,342	3,176	94.9%	87.4%	625
Belue Trucking	6,952	7,233	6,965	6,881	(13)	100.2%	95.1%	10
Bennett Motor Express, Inc.	30,379	35,869	29,940	29,794	439	98.6%	83.1%	0
Billinga Freight Systems, Inc.	23,604	19,413	21,405	18,639	2,199	90.7%	96.0%	268
Blue Ridge Transfer Company, Inc.	33,843	34,527	34,703	34,068	(860)	102.5%	98.7%	117
Boone, The A.G., Company	7,916	9,902	8,645	10,004	(729)	109.2%	101.0%	93
Bozeman, D. M., Inc.	44,841	38,665	43,152	39,132	1,689	96.2%	101.2%	177
Brown Transport Corporation	190,193	245,397	199,282	265,753	(9,089)	104.8%	108.3%	1,158
Builders Transport, Inc.	228,229	203,843	224,165	195,762	4,064	98.2%	96.0%	353
TOTAL (4)	\$1,770	\$1,146	\$1,770	\$1,146	\$1,146			318
General Freight Carriers:								
AAA Cooper Transportation	\$999	\$133	\$999	\$133	\$999	81	\$2,861	\$2,861
ABF Freight System, Inc.	73	80	73	80	73	403	13,871	14,104
ADM Trucking, Inc.	466	356	466	356	466	6	551	72
Action Transit Company	0	0	0	0	0	0	0	0
Allied Systems, Ltd.	0	0	0	0	0	137	4,518	4,903
Altman Transport Lines, Inc.	58	185	58	185	58	92	1,987	1,853
Anderson Truck Line, Inc.	224	170	224	170	224	146	2,739	2,739
Associated Petroleum Carriers, Inc.	2,641	3,878	2,641	3,878	2,641	0	0	0
Atlanta Motor Lines, Inc.	N/A	N/A	N/A	N/A	N/A	38	981	836
B & P Motor Lines, Inc.	0	0	0	0	0	202	2,179	3,329
B.I. Transportation, Inc.	1,068	595	1,068	595	1,068	632	17,818	17,564
Belue Trucking	65	72	65	72	65	14	242	284
Bennett Motor Express, Inc.	216	41	216	41	216	0	0	0
Billinga Freight Systems, Inc.	506	458	506	458	506	239	7,448	6,426
Blue Ridge Transfer Company, Inc.	480	649	480	649	480	100	2,456	2,213
Boone, The A.G., Company	2,223	2,876	2,223	2,876	2,223	107	2,517	2,928
Bozeman, D. M., Inc.	0	0	0	0	0	145	4,022	4,068
Brown Transport Corporation	N/A	5,336	N/A	5,336	N/A	1,275	28,230	27,227
Builders Transport, Inc.	11,770	5,146	11,770	5,146	11,770	318	7,199	6,629

N/A--Not Available

N/Comp--Not Comparable

(A) Partial Year of Operations

(B) Change in Scope of Operations

FIGURE NO. 9-1 CONTINUED

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1989 and 1988
(Dollars in 000s)

CLASS I MOTOR FREIGHT CARRIERS	NORTH CAROLINA				TOTAL COMPANY DATA				NORTH CAROLINA			
	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number of Employees	
	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988
General Freight Carriers:												
Bulldog Hiway Express	\$20	\$10	\$8,778	\$8,830	\$8,721	\$8,606	\$57	\$224	99.4%	97.5%	0	80
Bulldog Trucking, Inc.	1,005	998	44,258	41,823	43,870	38,240	388	3,583	99.1%	91.4%	62	1,387
Burton Lines, Inc.	830	1,215	11,413	11,526	11,385	11,271	28	255	99.8%	97.8%	101	2,183
Carlisle Transportation, Inc.	1,179	996	7,259	7,308	6,401	6,322	858	986	88.2%	86.5%	0	0
Cabarrus Consolidating & Management Company	1,215	171	7,597	7,276	7,617	7,135	(20)	141	100.3%	98.1%	70	1,623
Caldwell Freight Lines, Inc.	1,255	1,285	13,993	12,713	12,449	10,766	1,544	1,947	89.0%	84.7%	215	4,367
Caroline Freight Carriers Corporation	1,077	1,165	530,889	531,557	531,399	505,972	7,490	25,585	98.6%	95.2%	196	86,253
Caroline Western Express	30	N/A	20,846	18,736	19,364	17,365	1,482	1,371	92.9%	92.7%	2,725	4,553
Catawba Trucking Company, Inc.	5,108	0	5,658	6,535	4,738	5,467	920	1,068	83.7%	83.7%	230	0
Central Transport, Inc.	0	1,892	51,089	52,465	52,465	50,749	(1,376)	1,716	102.7%	96.7%	237	7,745
Chemical Leaman Tank Lines, Inc.	4,001	3,988	207,362	214,424	201,842	208,280	5,520	6,144	97.3%	97.1%	105	2,985
Coast Refrigerated Trucking Company, Inc.	180	149	11,693	10,837	11,767	10,767	(74)	70	100.6%	99.4%	29	659
Colonial Freight Systems, Inc.	62	105	42,566	49,794	41,848	47,940	718	1,854	98.3%	96.3%	14	520
Colonial Motor Freight Line, Inc.	0	800	0	11,720	0	16,617	0	(2,897)	N/COMP	124.7%	140	3,926
Conoco, Inc.	1,756	1,417	79,448	88,696	70,271	61,759	9,177	26,937	88.4%	69.6%	62	1,753
Consolidated Freightways Corp. of Delaware	109	110	1,894,950	1,749,180	1,800,115	1,643,352	94,835	105,828	95.0%	93.9%	1,091	28,744
Cresco Lines, Inc.	0	0	20,510	18,966	20,225	18,623	285	343	98.6%	98.2%	0	0
Crete Carrier Corporation	512	411	111,757	95,939	106,414	91,261	5,343	4,678	95.2%	94.9%	13	248
Custom Deliveries	1,576	1,501	24,490	24,490	22,085	23,232	2,405	1,258	90.2%	94.9%	15	2,061
Custom Transport, Inc.	261	42	7,421	6,938	7,041	6,383	380	555	94.9%	92.0%	90	575
OSI Transports, Inc.	N/A	0	72,331	69,627	66,173	63,651	(45,952)	5,976	91.5%	91.4%	25	148
Decato Brothers, Inc.	58	11	8,604	9,589	8,383	9,366	221	223	97.4%	97.7%	8	4,386
DeWitt, L.G., Trucking Company, Inc.	N/A	0	20,221	23,299	24,452	26,344	(4,231)	(3,045)	120.9%	113.1%	309	58
Dew Line, Inc.	267	390	13,176	12,767	13,809	13,057	(633)	(290)	104.8%	102.3%	15	179
Oxile Trucking Company, Inc.	8,368	7,068	11,926	9,925	11,938	9,123	(12)	802	100.1%	91.9%	221	5,871
Douglas & Sons, Inc.	245	103	8,655	8,399	8,605	8,477	50	(78)	99.4%	96.2%	90	4,916
Eagle Transport Corporation	5,267	5,119	20,513	18,015	21,014	17,322	(501)	693	102.4%	96.2%	121	2,098
Edwards, William	5	65	3,965	4,506	3,958	4,606	7	(100)	99.8%	102.2%	0	0
Electric Transport, Inc.	0	0	19,978	14,529	19,854	13,156	124	1,373	99.4%	90.5%	0	0
Epes Transport System, Inc.	957	861	15,919	15,919	17,055	14,910	844	1,009	95.3%	93.7%	90	1,919
Estes Express Lines	12,342	11,445	89,937	88,446	78,340	73,460	11,597	14,986	87.1%	83.1%	651	16,265
Evans, C & M, Trucking Co., Inc.	308	22	14,869	14,386	14,155	13,946	714	440	95.2%	96.9%	155	2,497
Fleet Transport Company, Inc.	1,128	1,270	80,480	72,683	79,278	73,767	1,202	(1,084)	98.5%	101.5%	30	521
Food Carrier, Inc.	365	511	6,290	8,375	6,099	7,993	201	382	96.8%	95.4%	0	0
Forbes Transfer Company, Inc.	1,370	1,199	8,563	8,185	8,158	7,752	405	433	95.3%	94.7%	64	1,013
Fredrickson Motor Express Corp.	24,795	24,015	42,749	41,404	42,160	41,484	589	(80)	98.6%	100.2%	708	17,387
Frito-Lay, Inc.	0	0	6,610	6,786	119,833	118,237	(113,223)	(111,451)	1812.9%	1742.4%	1,339	45,007
Fulton, Arthur H., Inc.	367	665	34,991	31,187	34,314	29,843	577	1,344	98.3%	95.7%	76	1,284
G & P Trucking Company, Inc.	627 (8)	2,081	18,358	15,085	17,759	14,102	599	983	96.7%	93.5%	30	N/A

N/A--Not Available

N/COMP--Not Comparable

(A) Partial Year of Operations

(B) Change in Scope of Operations

FIGURE NO. 9-1 CONTINUED

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1989 and 1988
(Dollars in 000s)

CLASS I MOTOR FREIGHT CARRIERS	NORTH CAROLINA				TOTAL COMPANY DATA				NORTH CAROLINA			
	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number of Employees	
	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988
General Freight Carriers:												
Gabler, H.C., Inc.	\$13	\$102	\$12,335	\$12,594	\$13,234	\$12,535	(\$899)	\$59	107.3%	99.5%	6	9
Gaines Motor Lines, Inc.	436	1,149	17,325	16,408	14,109	12,788	3,216	3,620	81.4%	77.9%	130	134
General Transport Systems, Inc.	308	158	4,804	7,358	5,875	7,066	(1,071)	272	122.3%	96.30%	43	73
Glass Container Transport	1,145	5,149	21,816	19,089	22,276	17,883	(460)	1,206	102.1%	93.7%	145	223
Glosson Freightways, Inc.	60	32	4,482	4,776	4,910	4,865	(428)	(89)	109.5%	101.9%	81	76
Gra-Bell Truck Line, Inc.	25	20	28,764	27,028	29,355	26,345	(991)	483	102.1%	98.2%	3	34
Graham, David, Company	2,029	1,641	12,275	13,283	12,065	12,900	210	363	98.3%	97.1%	N/A	15
Great Coastal Express, Inc.	3,238	2,761	39,926	36,812	36,211	31,520	3,715	5,292	90.7%	85.6%	38	40
Green Arrow Motor Express Co.	1,066 (B)	457	9,724	9,327	10,011	9,249	(287)	78	103.0%	99.2%	0	0
Greenwood Motor Lines, Inc.	1,333	996	18,285	15,734	19,448	16,017	(1,163)	(283)	106.4%	101.8%	75	74
Guilford Freight Lines, Inc.	1,084	386	7,224	8,392	8,294	8,299	(1,070)	93	114.8%	98.9%	85	91
Gypsum Haulage, Inc.	0	0	11,768	13,162	12,101	14,441	(333)	(1,279)	102.8%	109.7%	0	0
H & V Trucking Co., Inc.	0	0	8,630	8,146	8,540	7,968	90	178	99.0%	97.8%	75	73
Harris Transport Company	220	185	11,194	13,690	11,465	14,264	(271)	(574)	102.4%	104.2%	18	17
Herman Brothers, Inc.	0	0	19,589	22,017	19,677	22,074	(88)	(57)	100.4%	100.3%	0	0
Hone Run, Inc.	217	388	9,518	9,673	8,872	8,811	646	862	93.2%	91.1%	6	5
Hornady Truck Line, Inc.	7	0	27,350	23,391	26,567	21,992	783	1,399	97.1%	94.0%	0	0
Howell's Motor Freight, Inc.	54	67	10,402	9,277	9,955	8,839	447	438	95.7%	95.3%	105	99
Humboldt Express, Inc.	1,550	1,490	28,657	28,544	22,058	27,936	6,599	608	77.0%	97.9%	3	3
Independent Freightway, Inc.	26	140	145,453	130,802	140,286	127,552	5,167	3,250	96.4%	97.5%	5	5
Infinger Transportation Co., Inc.	948	865	8,512	9,208	8,448	8,830	64	378	99.2%	95.9%	28	28
J & S Truck Service, Inc.	2	0	11,801	10,551	11,804	10,462	(3)	89	100.0%	99.2%	127	129
Jefferson Trucking Company	3	1	15,182	15,771	14,816	14,995	366	776	97.6%	95.1%	0	0
Kenan Transport Company	5,567	5,104	46,094	43,652	42,345	40,407	3,749	3,245	91.9%	92.6%	240	249
Kenosha Auto Transport Corporation	78	82	54,157	57,450	53,828	56,310	329	1,140	99.4%	98.0%	6	4
Keystone Freight Corporation	1,352	1,780	24,806	25,007	24,758	25,321	48	(314)	99.8%	101.3%	18	0
Key Way Transport, Inc.	1,314	1,340	33,344	32,310	32,853	30,929	491	1,381	98.5%	95.7%	69	71
Koch Service, Inc.	270	265	92,559	91,956	79,723	74,114	12,836	17,842	86.1%	80.6%	3	3
Landair Transport, Inc.	99	6	34,533	30,324	33,742	30,189	1,791	135	97.7%	99.6%	24	61
Leaseaway Customized Transport, Inc.	572	0	26,070	26,135 (B)	24,176	24,259	1,894	1,876	92.7%	92.8%	6	8
Leaseaway Deliveries, Inc.	N/A	0	24,345	34,874	24	39,087	24,321	(4,213)	0.1%	112.1%	0	0
Liquid Transporters, Inc.	1,423	1,423	37,918	37,765	35,852	35,703	2,066	2,042	94.6%	94.5%	20	20
Logex	0	0	28,988	27,529	25,963	25,816	3,025	1,713	89.6%	93.8%	0	0
Lumber Transport, Inc.	18	19	12,251	12,595	11,895	11,865	356	730	97.1%	94.2%	0	0
McClendon, Glenn, Trucking	52	120	45,171	40,978	42,154	41,639	3,017	(661)	93.3%	101.6%	206	70
McGil Specialized Carriers, Inc.	250	281	60,799	58,015	59,683	56,760	1,116	1,255	98.2%	97.8%	4	5
MCO Transport, Inc.	1,352	1,394	6,152	6,151	6,171	6,201	(19)	(50)	100.3%	100.8%	52	54
MGM Transport Corporation	121	88	32,902	32,616	32,397	31,256	505	1,360	98.5%	95.8%	330	300
Matlack, Inc.	473	463	214,489	227,695	212,208	220,842	2,281	6,853	98.9%	97.0%	2	3

N/A--Not Available
N/Comp--Not Comparable
(A) Partial Year of Operations
(B) Change in Scope of Operations

FIGURE NO. 9-1 CONTINUED

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1989 and 1988
(Dollars in 000s)

CLASS I MOTOR FREIGHT CARRIERS	NORTH CAROLINA				TOTAL COMPANY DATA				NORTH CAROLINA			
	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number of Employees	
	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988
General Freight Carriers:												
Mason & Meason, Inc.	80	80	\$14,461	\$15,685	\$14,340	\$15,449	\$121	\$236	99.2%	98.5%	0	80
Melton Truck Lines, Inc.	0	1	41,640	45,182	42,446	44,787	(806)	395	101.9%	99.1%	3	64
Merchants Home Delivery Service, Inc.	0	0	88,467	78,137	80,395	71,809	8,072	6,328	91.9%	91.9%	0	0
Mettler, A. J., Hauling & Rigging, Inc.	181	24	35,883	34,694	35,332	34,549	551	145	98.5%	99.6%	6	72
Mitchell Transport	0	0	27,331	26,493	29,367	28,634	(2,036)	(2,141)	107.4%	108.1%	0	0
Moss Trucking Company, Inc.	885	802	15,235	16,011	15,284	15,999	(49)	12	100.3%	99.9%	106	2,857
Murrow's Transfer, Inc.	836	611	10,837	10,194	10,226	9,732	611	462	94.4%	95.5%	173	3,789
Myers Men, Inc.	281	N/A	6,066	6,682	4,410	4,684	1,656	1,998	72.7%	70.1%	24	268
National Freight, Inc.	102	43	129,724	143,918	125,195	151,395	4,529	(7,467)	96.5%	105.2%	15	555
Newton Transportation Co., Inc.	271	86	8,009	8,602	7,618	8,473	391	129	95.1%	98.5%	153	3,699
North American Van Lines, Inc.	443	1,257	792,190	817,895	791,845	795,636	345	22,259	100.0%	97.3%	60	986
Nu-Car Carriers, Inc.	12	28	133,146	145,847	137,443	148,146	(4,297)	(2,299)	103.2%	101.6%	7	346
Observer Transportation Company	467	491	7,942	7,435	8,008	7,394	(66)	41	100.8%	99.4%	122	3,371
Old Dominion Freight Line, Inc.	1,449	1,835	127,690	114,786	121,433	109,472	6,257	5,314	95.1%	95.4%	1,078	17,171
Oliver Trucking Company, Inc.	0	0	4,994	5,126	4,743	4,883	251	243	95.0%	95.3%	0	0
Overnite Transportation Company	7,027	7,540	697,783	638,486	634,837	555,881	62,946	82,605	91.0%	87.1%	1,143	28,421
PTS of Maryland	978	0	55,117	48,583	55,623	46,765	(506)	1,818	100.9%	96.3%	43	385
Parsons, G.G., Trucking Company	1,714	535	7,714	7,643	8,898	7,205	(329)	438	103.8%	94.3%	94	1,793
Pitt County Transportation, Inc.	317	288	3,572	3,330	3,458	3,224	114	106	96.8%	96.8%	37	862
Ploof Truck Lines, Inc.	801	895	40,409	38,562	33,991	32,665	6,418	5,897	84.1%	84.7%	46	1,048
Pony Express Courier Corporation	10,659	11,275	119,567	114,302	116,243	112,259	3,324	2,043	97.2%	98.2%	388	4,039
Pope Transport Company	3,066	N/A	3,253	2,794	2,532	2,256	721	538	77.8%	80.7%	32	963
Purulator Courier Corporation	3,669	1,175	1,093,479	360,783	1,184,405	N/A	(90,926)	360,783	108.3%	0.0%	181	N/A
Q Carriers, Inc.	55	69	7,757	8,065	7,583	7,844	174	221	97.8%	97.3%	2	46
Quality Carriers, Inc.	534	91	105,518	37,563	96,126	36,304	9,392	1,259	91.1%	96.6%	3	103
RTC Transportation, Inc.	192	N/A	66,891	62,811	69,887	61,597	(2,996)	1,214	104.5%	98.1%	156	2,060
Ranger Transportation, Inc.	67	N/A	203,245	209,916	197,771	207,280	5,474	2,636	97.3%	98.7%	7	212
Redding Carriers, Inc.	0	0	34,819	33,431	33,157	31,749	1,662	1,682	95.2%	95.0%	0	0
Roberts Express, Inc.	92	86	75,466	76,573	66,010	68,195	9,456	8,378	87.5%	89.1%	1	18
Ryder Bulk Transportation Services, Inc.	0	80	28,798	25,359	29,789	25,350	(991)	9	103.4%	100.0%	0	16
Ryder Distribution Resources, Inc.	0	973	281,502	251,755	285,969	246,707	(4,467)	5,048	101.6%	98.0%	0	735
Ryder Temperature Controlled Carriage, Inc.	106	N/A	44,383	57,181	50,762	61,745	(6,379)	(4,564)	114.4%	108.0%	20	538
Santee Carriers, Inc.	412	402	15,299	15,976	15,061	15,641	238	335	98.4%	96.9%	33	645
Schwemmen Trucking Company	49	29	38,391	38,084	37,184	36,888	1,207	1,196	105.1%	100.5%	0	0
Senn Trucking Company	0	0	20,962	20,527	22,030	20,631	(1,068)	(104)	96.9%	96.9%	N/A	N/A
Signal Delivery Service, Inc.	229	247	230,995	248,725	221,048	238,164	9,947	10,561	95.7%	95.8%	262	6,577
SilverEagle Transport, Inc.	0	0	19,030	16,333	18,298	15,263	732	1,070	96.2%	95.4%	7	95
Skyline Transportation, Inc.	117	109	11,061	9,865	11,145	9,405	(84)	460	100.8%	95.3%	37	814
Smith, Aaron, Trucking Company, Inc.	896	899	6,294	6,670	6,451	6,680	(157)	(10)	102.5%	100.1%	97	1,296

N/A--Not Available

N/COMP--Not Comparable

(A) Partial Year of Operations

(B) Change in Scope of Operations

FIGURE NO. 9-1 CONTINUED

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1989 and 1988
(Dollars in 000s)

CLASS I	NORTH CAROLINA				TOTAL COMPANY DATA				NORTH CAROLINA			
	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number of Employees	
	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988
MOTOR FREIGHT CARRIERS												
General Freight Carriers:												
Sooner Transport Corporation	\$268	\$202	\$22,746	\$29,120	\$22,076	\$30,932	\$670	(\$1,812)	97.1%	106.2%	184	197
Southeastern Freight Lines	7,559	6,993	129,309	119,984	118,819	110,717	10,570	9,267	91.8%	92.3%	515	506
Spartan Express, Inc.	2,857	2,390	69,583	68,765	77,160	74,787	(7,577)	(6,022)	110.9%	106.8%	311	311
Standard Trucking Company	16,820 (B)	9,772	47,208	41,744	46,301	40,155	907	1,589	98.1%	96.2%	504	493
Star Freight, Inc.	1,846	1,955	8,212	7,916	8,265	7,775	(53)	141	100.6%	98.2%	18	20
Stevens Freight Service, Inc.	0	3,717	0	18,868	0	19,144	0	(276)	N/COMP	101.5%	0	38
Swing Transport, Inc.	1,976	2,092	7,260	6,686	6,474	6,031	786	655	89.2%	90.2%	82	91
Teminal Trucking Company, Inc.	5,866	5,725	8,762	8,581	7,381	6,982	1,381	1,599	84.2%	81.4%	165	160
Thomas, R.P., Trucking Company, Inc.	0	0	6,074	N/A	6,108	N/A	0	0	0.0%	N/COMP	0	0
Thomas Produce Company of Mount Airy, Inc.	1	0	15,936	15,936	15,455	14,605	481	N/A	97.0%	N/A	182	N/A
Transport Service Company of Butner, NC	175	182	34,870	31,617	31,782	29,010	3,088	2,607	91.1%	91.8%	5	4
Transport South, Inc.	117	289	15,111	11,930	13,681	10,561	1,430	1,369	90.5%	88.5%	7	9
Transus, Inc.	0	0	70,536	68,787	70,150	68,188	386	599	99.5%	99.1%	58	62
Tri-State Motor Transit Company	289	147	104,799	93,721	103,220	94,179	1,579	(458)	98.5%	100.5%	7	5
United Parcel Service, Inc.	41,640	37,186	7,249,363	6,608,037	6,820,481	6,183,048	428,882	424,969	94.1%	93.6%	2,798	2,652
Vance Trucking Company	679	677	6,461	7,026	6,512	6,887	(51)	139	100.8%	98.0%	74	75
Ward Trucking Corporation	21	25	40,675	40,992	42,577	40,936	(1,902)	56	104.7%	99.9%	22	27
Watkins Motor Lines, Inc.	39	33	203,677	171,647	193,625	164,287	10,052	7,360	95.1%	95.7%	462	258
West Point Pepperell Transportation Company	2,929	1,041	22,059	24,785	19,071	22,725	2,988	2,060	86.5%	91.7%	48	70
Whiteford Transport Systems, Inc.	0	1,246	37,522	124,267	31,143	113,780	6,379	10,467	83.0%	91.6%	0	68
Widener, Roy, Motor Lines, Inc.	0	0	17,717	17,492	17,232	16,654	485	838	97.3%	95.2%	16	17
Williamson Truck Lines, Inc.	787	849	5,347	5,271	5,526	5,579	(179)	(308)	103.3%	105.8%	72	62
Wilson Trucking Corporation	1,924	2,785	57,656	58,807	53,313	52,897	4,343	5,910	92.5%	90.0%	278	274
Youngblood Truck Lines	0	0	19,569	19,338	19,489	18,745	80	593	99.6%	96.9%	195	157
TOTAL (160)	\$242,019	\$226,577	\$19,480,136	\$17,861,073	\$18,853,819	\$16,690,591	\$626,319	\$1,170,482	96.8%	93.4%	25,067	24,858
GRAND TOTAL (168)	\$247,350	\$238,788	\$19,744,333	\$18,136,814	\$19,113,228	\$16,955,473	\$631,105	\$1,181,341	96.8%	93.5%	25,518	25,350

N/A--Not Available

N/COMP--Not Comparable

(A) Partial Year of Operations

(B) Change in Scope of Operations

Grand Total Class I Motor

Freight Carriers for:

1989 = 168

1988 = 161

FIGURE NO. 9-2

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1989 and 1988
(Dollars in 000s)

CLASS II	NORTH CAROLINA				TOTAL COMPANY DATA				NORTH CAROLINA			
	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number Of Employees	
	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988
MOTOR FREIGHT CARRIERS												
Household Goods Carriers:												
Admiral Transportation Services	\$1,120	\$1,038	\$2,046	\$2,099	\$1,923	\$1,968	\$123	\$131	94.0%	93.8%	37	39
Alway Moving & Storage, Inc.	119	111	2,398	2,366	2,387	2,499	11	(133)	99.5%	105.6%	54	49
Baucum's Transfer & Storage Company, Inc.	300	278	1,500	1,392	1,470	1,383	30	9	98.0%	99.4%	41	36
Charlotte Van & Storage Company, Inc.	104	157	3,332	3,333	2,069	2,277	(494)	(944)	131.4%	170.8%	26	30
City Transfer and Storage Company	293	373	2,645	2,158	3,329	3,139	3	(73)	99.9%	102.4%	52	57
Clark Transfer Company, Inc.	183	107	183 (B)	505	2,500	2,048	145	110	94.5%	94.9%	62	52
Dehaven's Transfer & Storage, Inc.	29	39	1,276	1,145	1,135	1,497	3	8	98.4%	98.4%	9	9
Horne Storage Company, Inc.	207	202	2,579	1,896	2,501	1,859	141	45	88.9%	96.1%	40	40
Jackson Moving & Storage, Inc.	142	319	1,093	1,083	1,061	1,059	78	37	97.0%	98.0%	48	32
Martin Transfer & Storage	176	N/R	1,326	N/R	1,282	N/R	32	24	97.1%	97.8%	25	24
Piedmont Movers, Inc.	82	N/R	981	971	937	932	44	N/R	96.7%	N/COMP	24	N/R
Ray Moving & Storage, Inc.	148	254	1,716	1,608	1,698	932	44	39	95.5%	96.0%	9	9
Security Storage Company, Inc.	176	312	3,408	3,166	3,334	3,126	18	(28)	99.0%	101.7%	20	15
Smith, M.M., Storage Warehouse, Inc.	370	247	2,209	2,313	2,288	2,106	74	40	97.8%	98.7%	83	64
Washburn Storage Company	23	N/A	140	121	2,022	963	(79)	207	103.6%	91.1%	60	34
Weathers Brothers Transfer Co. of N.C.	0	0	1,995	1,781	1,022	1,636	(882)	(842)	730.0%	795.9%	3	3
Weich Moving & Storage *	N/R	209	N/R	1,193	1,855	1,636	140	145	93.0%	91.9%	5	52
TOTAL (18)	\$3,840	\$3,907	\$30,402	\$28,196	\$30,971	\$29,505	(\$569)	(\$1,309)	101.9%	97.0%	598	590
General Freight Carriers:												
Air Cargo Services, Inc.	\$125	\$49	\$2,689	\$2,539	\$3,007	\$2,751	(\$318)	(\$212)	111.8%	108.3%	58	60
American Parcel Service, Inc.	615	587	1,345	1,269	1,306	1,279	39	(10)	97.1%	100.8%	3	3
Arday's Trucking Company, Inc.	N/A	N/A	4,134	4,762	4,127	4,574	7	188	99.8%	96.1%	0	0
Barnett Truck Line, Inc.	365	584	1,096	1,596	1,341	1,823	(245)	(227)	122.4%	114.2%	24	28
Blue Ridge Trucking Company	1,156	1,172	3,741	3,908	3,872	3,927	(131)	(19)	103.5%	100.5%	70	69
Building Systems Transportation, Inc.	N/A	9	4,134	3,161	4,127	3,152	7	9	99.8%	99.7%	0	0
Bunch Trucking Company, Inc.	560	640	1,605	1,941	1,593	2,008	12	(67)	99.3%	103.5%	19	26
Burgess Transport, Inc.	210	299	7,663	5,801	7,113	5,413	350	308	95.3%	93.3%	63	106
Byrum, A.T. & Son, Inc.	75	110	2,712	2,385	2,697	2,280	15	105	99.4%	95.6%	32	28
CFI Transport, Inc.	12	68	3,106	3,383	3,059	3,217	47	166	98.5%	95.1%	34	30
Camp Trucking, Inc.	0	5	3,187	3,721	3,250	3,808	(63)	(87)	102.0%	102.3%	12	9
Cargo Transporters, Inc.	303	163	2,119	2,003	806	1,105	1,313	898	36.0%	55.2%	27	27
Cargocare Transportation Company	559	433	8,249	7,366	8,501	6,925	(252)	441	103.1%	94.0%	107	74
Carl's Messenger Service, Inc.	0	0	3,601	3,109	3,381	2,876	220	233	93.9%	92.5%	9	9
			6,819	6,909	6,673	7,036	146	(127)	97.9%	101.8%	0	0

* and N/R--These companies failed to file annual reports, however they are still operating. Their Regulatory Fee Reports have been received.

N/A--Not Available

N/COMP--Not Comparable

(A) Partial Year of Operations

(B) Change in Scope of Operations

FIGURE NO. 9-2 CONTINUED

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1989 and 1988
(Dollars in 000s)

CLASS II	NORTH CAROLINA		TOTAL COMPANY DATA											
	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number Of Employees		Total Salaries Paid	
	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988
MOTOR FREIGHT CARRIERS														
General Freight Carriers:														
Carolina Carriers, Inc. *	N/R	\$548	N/R	\$548	N/R	\$634	N/R	(\$86)	N/COMP	115.7%	N/R	N/R	N/R	\$163
Carolina Tank Lines, Inc.	305	449	3,636	3,694	3,676	3,692	(40)	2	99.9%	99.9%	44	44	956	883
Carroll's Transfer, Inc.	221	5	1,144	1,067	1,143	1,013	1	54	99.9%	94.9%	17	18	337	335
Carter, Robahlee	815	1,736	1,833	1,733	1,428	1,667	405	66	77.9%	96.2%	27	23	218	235
Cary Oil Company, Inc.	2,451	2,454	2,539	2,509	1,829	2,303	710	206	72.0%	91.8%	59	62	2,179	2,272
Cline, Phil, Trucking, Inc.	23	18	4,182	3,539	4,180	3,507	2	32	100.0%	99.1%	45	28	1,073	739
Coastal Transport, Inc.	2,525	2,475	3,205	2,951	3,257	3,507	(52)	(15)	101.6%	100.5%	30	27	731	729
Commercial Courier Express, Inc.	5,027	4,266	16,090	11,589	12,519	11,040	549	549	88.9%	95.3%	251	212	2,423	2,019
Com-Way Southern Express, Inc.	5,139	3,287	50,654	24,623	51,660	28,343	(1,006)	(3,720)	102.0%	115.1%	350	83	9,908	6,167
Cooke Trucking Company, Inc.	42	0	4,764	4,347	4,579	4,213	185	134	96.1%	96.1%	109	85	891	1,655
D & L Leasing & Diesel, Inc.	1,148	960	4,958	4,365	4,870	4,213	88	152	98.2%	96.5%	62	60	2,247	1,812
D & L Trucking, Inc.	746	1,034	1,735	2,244	1,562	2,019	173	225	90.0%	90.0%	31	54	757	912
Dairy Leasing Service, Inc. *	N/R	1,169	N/R	1,502	N/R	1,625	N/R	(123)	N/COMP	108.2%	N/R	N/R	N/R	313
Davey Truckers, Inc.	1,672	1,523	3,896	3,798	3,985	3,689	(89)	109	102.3%	97.1%	32	31	663	669
Dedmon, A.V., Trucking, Inc.	106	300	1,405	1,596	1,460	1,500	(55)	96	103.9%	94.0%	23	22	574	566
Dependable Tank Lines, Inc.	407	278	3,019	2,952	3,050	2,938	(31)	14	101.0%	99.5%	16	15	326	316
Dobson Trucking, Inc.	2,211	1,939	2,948	2,656	2,886	2,640	62	16	97.9%	99.4%	56	38	885	725
East Coast Transport Company, Inc.	1,313	1,272	2,032	1,937	2,000	1,823	32	114	98.4%	94.1%	39	32	677	654
Eastern Motor Lines, Inc.	0	0	2,901	3,254	2,837	3,159	64	95	97.8%	97.1%	5	4	182	285
Edmec Trucking Company, Inc.	206	350	3,027	2,765	3,072	2,708	(45)	57	101.5%	97.9%	50	47	882	809
Electronic Express, Inc.	170	101	2,428	1,694	2,330	1,629	98	65	96.0%	96.2%	5	3	123	85
Evolette Express, Inc.	50	88	3,194	2,755	3,353	2,854	(159)	(99)	105.0%	103.6%	24	25	431	367
Ezell Trucking, Inc.	708	717	6,263	5,222	4,704	3,951	1,559	1,271	75.1%	75.7%	63	58	1,481	1,217
First American Carriers, Inc.	2,675	2,006	20,767	18,233	20,127	17,676	640	557	96.9%	96.9%	100	76	2,182	1,574
Fleming, J. Clint, Inc.	123	81	3,033	3,046	2,911	2,909	122	137	96.0%	95.5%	8	7	146	140
Forbes Refrigerated Transport, Inc.	34	21	1,223	1,128	1,166	1,098	57	30	95.3%	97.3%	13	13	288	283
Fowler, Maylon M., Contract Hauling, Inc.	63 (B)	118	3,402	4,155	3,584	4,070	(182)	85	105.3%	98.0%	80	85	1,385	1,372
Gallimore, D.P. and Sons, Inc.	0	0	3,229	3,780	3,453	3,810	(226)	(30)	106.9%	100.8%	40	47	719	658
Goggin Truck Line Company, Inc.	97 (B)	922	6,786	5,422	6,476	4,985	310	437	95.4%	91.9%	30	9	600	202
Groves, F.M., Trucking Company	213	520	2,136	1,811	2,182	1,955	(46)	(144)	102.2%	108.0%	31	34	627	578
H & S Truck Service of Ahoskie, Inc.	28	55	683	916	773	903	13	13	113.2%	98.6%	14	44	210	308
HFS Transport Company, Inc.	1,058	1,073	4,461	4,345	3,928	3,891	533	474	88.1%	89.1%	44	42	1,151	1,100
Harper Trucking Co., Inc.	2,673	2,575	2,834	2,935	2,794	2,806	40	129	98.6%	95.6%	48	N/A	1,697	1,215
Harrell, R.O., Inc.	369	506	2,444	2,497	2,257	2,219	187	278	92.3%	88.9%	1	0	17	17
Henry, C.S., Transfer, Inc.	117	54	5,292	4,382	5,365	4,285	(73)	97	101.4%	97.8%	83	72	2,137	1,717
Heritage Transport, Inc.	923	600	10,685	7,516	9,165	6,375	1,520	1,141	85.8%	84.8%	6	5	168	124
Huck's Piggyback Service, Inc.	21	106	2,649	2,281	2,757	2,277	(108)	4	104.1%	99.8%	32	26	1,124	862
Irdeell Milk Transportation, Inc.	606	478	6,824	6,726	6,568	6,675	256	51	96.2%	99.2%	52	51	1,324	1,237

* and N/R--These companies failed to file annual reports, however they are still operating. Their Regulatory Fee Reports have been received.

N/A--Not Available

M/COMP--Not Comparable

(A) Partial Year of Operations

(B) Change in Scope of Operations

Motor Freight Carriers--Class II
Grouped by Major Type of Products Transported
Calendar Years 1989 and 1988
(Dollars in 000s)

CLASS II	MOTOR FREIGHT CARRIERS	NORTH CAROLINA		TOTAL COMPANY DATA										NORTH CAROLINA	
		Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number Of Employees		Total Salaries Paid	
		1989	1988	1989	1988	1989	1988	1989	1988	1989	1987	1989	1988	1989	1988
	General Freight Carriers:														
	Kennedy Freight Lines, Inc.	\$296	\$305	\$2,269	\$2,182	\$2,306	\$2,283	(\$37)	(\$101)	101.6%	104.6%	7	12	\$408	\$271
	Kugler, George W., Inc.	0	0	2,086	2,206	2,190	2,176	(104)	30	105.0%	98.6%	0	0	0	0
	Lebernold, Inc.	152	144	16,196	12,678	15,082	11,113	1,114	1,565	93.1%	87.7%	36	25	1,000	679
	Lentz Transfer and Storage Company	157	140	2,323	1,982	2,133	1,835	190	147	91.8%	92.6%	31	21	727	542
	Lewis Truck Lines, Inc.	83	33	3,151	2,827	3,101	2,940	50	(113)	98.6%	104.0%	0	0	0	0
	Lisk, Howard, Inc.	449	428	8,166	7,296	7,339	6,586	827	710	89.9%	90.3%	87	87	1,386	1,975
	Louisiana-Pacific Trucking Company	42	63	945	1,393	841	1,266	104	127	89.0%	90.9%	0	0	0	0
	McClellan Truck Lines	19	24	3,797	3,890	3,613	3,706	184	184	95.2%	95.3%	0	0	0	0
	Martin Motor Lines, Inc.	1,241	1,207	1,390	1,477	1,456	1,526	(66)	(49)	104.7%	103.3%	36	36	759	781
	Merchants Transport of Hickory, Inc.	533	538	1,491	1,396	1,490	1,391	1	5	99.9%	99.6%	0	0	0	0
	Merritt Trucking Company, Inc.	2,200	1,919	5,208	5,164 (B)	4,875	4,875	51	289	99.0%	94.4%	80	82	1,774	1,711
	North State Motor Lines, Inc.	545	473	3,434	2,968	3,219	2,795	173	273	95.7%	94.2%	43	45	749	687
	Piedmont Fuel & Distributing Company, Inc.	779	867	1,102	1,112	1,048	1,067	54	45	95.1%	96.0%	25	28	453	459
	Reelfoot Trucking Company	24	4	4,209	3,956	4,227	3,907	(18)	49	100.4%	98.8%	6	7	139	149
	Reliable Tank Line, Limited Partnership	1,653	1,840	1,850	1,989	1,461	1,554	389	435	79.0%	78.1%	32	35	691	703
	Roadway Package System, Inc.	267	0	413,048	259,976	367,616	258,015	45,432	1,961	89.0%	99.2%	432	422	4,550	3,162
	Robin Hood Container Express, Inc.	0	0	1,705	1,607	1,721	1,575	(16)	32	100.9%	98.0%	6	6	136	115
	Rocket Express, Inc.	277	207	2,772	2,066	2,664	1,769	128	297	95.4%	85.6%	92	42	1,041	710
	Rothrock, J.L., Inc.	2,257	1,857	2,842	2,817	2,737	2,796	105	21	96.3%	99.3%	66	72	1,140	1,123
	S & S Trucking Company	29	26	83 (B)	955	117	980	(34)	(25)	141.0%	102.6%	4	20	48	321
	Sain & Weaver Trucking Company, Inc.	7	0	2,117	2,328	2,317	2,312	(200)	16	109.4%	99.3%	27	25	591	619
	Salem Carriers, Inc.	1,966	1,241	6,872	4,293 (B)	6,877	4,257	(5)	36	100.1%	99.2%	111	58	1,987	1,314
	Sealed Air Trucking, Inc.	490	957	3,700	4,083	4,850	4,580	(1,130)	(497)	130.5%	112.2%	31	36	890	1,099
	Sherman & Boddie, Inc.	496	441	2,431	2,234	2,038	2,085	393	149	83.8%	93.3%	30	29	722	682
	Smith Transfer Co., Inc.	36	44	4,450	4,407	4,424	4,329	26	78	99.4%	98.2%	32	28	595	504
	Southern Bulk Haulers, Inc.	13	2	6,020	5,230	5,742	5,135	278	95	95.4%	98.2%	19	17	362	349
	Southern Oil Transportation Company, Inc.	892	1,013	934	1,040	1,000	1,068	(66)	(28)	107.1%	102.7%	23	21	419	445
	Southeastern Freight Carriers, Inc.	88	78	10,987	7,253	10,539	7,138	448	115	95.9%	98.4%	72	69	1,485	1,179
	Stegall T.G., Trucking Company	0	0	2,288	2,820	2,213	2,657	75	163	96.7%	94.2%	36	43	701	862
	Tidewater Transit Company, Inc.	2,772	2,897	7,448	7,614 (B)	6,376	6,510	1,092	1,104	85.4%	85.5%	85	75	2,094	2,026
	2800 Corporation	0	501	0	590	0	658	0	(68)	M/COMP	111.5%	0	12	0	253
	Underwood & Weld Company, Inc.	68	56	9,062	10,342	9,237	9,660	(175)	682	101.9%	93.4%	123	115	2,925	2,796
	Unique Express, Inc.	962	871	2,406	2,235	2,348	2,159	58	76	97.6%	96.6%	25	21	809	651
	United Merchants Trucking, Inc.	16	36	1,754	2,040	2,199	2,032	8	8	125.4%	99.6%	24	34	637	751
	Wallace Trucking Company	234	113	1,925	1,787	2,306	2,449	(381)	(662)	119.8%	137.0%	32	32	773	732
	Wally Service Company, Inc.	24	22	1,070	1,448	1,107	1,362	(37)	86	103.5%	94.1%	5	15	101	288
	Warren Trucking Company, Inc.	2	3	8,178	6,835	7,812	6,482	366	353	95.5%	94.8%	6	8	98	93

* and M/R--These companies failed to file annual reports, however they are still operating. Their Regulatory Fee Reports have been received.

M/A--Not Available

M/COMP--Not Comparable

(A) Partial Year of Operations

FIGURE NO. 9-2 CONTINUED

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1989 and 1988
(Dollars in 000s)

CLASS II MOTOR FREIGHT CARRIERS	NORTH CAROLINA				TOTAL COMPANY DATA				NORTH CAROLINA			
	Regulated Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number Of Employees		Total Salaries Paid	
	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988
General Freight Carriers:												
Wendell Transport Corporation	\$3,382	\$2,627	\$3,702	\$2,758	\$143	\$300	96.3%	90.2%	58	55	\$1,275	\$1,018
West Brothers Transfer & Storage	5,726	4,113	6,649	4,262	(4)	260	100.1%	94.3%	132	120	3,074	2,047
Western Auto Supply Co./Transportation Div.	51	17	2,226	1,702	(28)	(130)	101.1%	108.3%	17	16	613	558
Wicker Services, Inc.	1,626	1,679	2,569	2,264	(169)	78	107.0%	96.7%	44	43	1,129	1,018
Widenhouse, A.C., Inc.	3,227	4,448	3,148	3,842	172	801	94.8%	82.7%	78	79	1,330	1,738
Williams Garage Company, Inc.	44	312	3,701	3,472	(231)	116	106.7%	96.8%	8	3	203	34
Williams, H.C., Jr., Trucking Company, Inc.	158	207	2,310	2,757	(303)	(170)	115.1%	106.6%	48	50	856	1,002
Woodbridge, J.C., Inc.	18	3	2,521	2,505	4	(342)	99.8%	115.8%	0	0	0	0
Worsley Transport, Inc.	1,630	1,570	2,521	2,330	(54)	(22)	102.2%	101.0%	29	34	721	702
Yarbrough Transfer Company	1,086	772	2,705	2,641	335	242	89.0%	91.6%	40	40	894	897
Yearly Transfer Co., Inc.	41	29	836	956	(55)	(36)	106.6%	103.9%	0	0	0	0
Yelton Trucking Company, Inc.	68	95	1,109	N/A	(1)	N/COMP	100.1%	N/COMP	7	4	123	89
TOTAL (102)	\$74,231	\$72,425	\$783,695	\$620,751	\$56,241	\$13,984	93.3%	97.8%	\$4,503	\$3,999	\$92,286	\$82,020
GRAND TOTAL (120)	\$78,071	\$76,332	\$816,666	\$650,256	\$55,672	\$12,675	93.6%	98.1%	\$5,101	\$4,589	\$102,703	\$91,841

* and N/R--These companies failed to file annual reports, however they are still operating. Their Regulatory Fee Reports have been received.

N/A--Not Available

N/COMP--Not Comparable

(A) Partial year of operations

(B) Change in scope of operations

Grand Total Class II Motor

Freight Carriers for:

1989 = 120

1988 = 127

FIGURE NO. 9-3

CLASS I AND II MOTOR FREIGHT CARRIERS--AUTHORITY GRANTED IN 1989
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
(DOLLARS IN 000'S)

CLASS I	NORTH CAROLINA		TOTAL COMPANY DATA				NORTH CAROLINA	
	Regulated Revenues	Revenues	Expenses	Net Operating Income	Operating Ratios	Average Number Of Employees	Total Salaries Paid	
GENERAL FREIGHT CARRIERS:								
CCC Express, Inc.	N/A	\$25,564	\$35,501	(\$9,937)	138.9%	45	\$311	
Daily Express, Inc.	\$0	48,073	45,992	2,081	95.7%	3	42	
Economy Transport, Inc.	54	4,269	4,162	107	97.5%	2	15	
Sunco Carriers, Inc.	741	11,419	10,898	521	95.4%	0	0	
Warren Transport, Inc.	0	54,637	50,757	3,880	92.9%	0	0	
Webber, A. N., Inc.	20	14,241	14,574	(333)	102.3%	0	0	
Total Class I (6)	\$815	\$158,203	\$161,884	(\$3,681)	102.3%	50	\$368	
Grand Total (6)	\$815	\$158,203	\$161,884	(\$3,681)	102.3%	50	\$368	

N/A--Not Available

FIGURE NO. 9-4

MOTOR FREIGHT CARRIERS--CLASS I AND II
SUMMARY OF SELECTED DATA--INCOME, EXPENSES, AND STATISTICAL ITEMS
FOR THE CALENDAR YEARS 1989 AND 1988
(DOLLARS IN 000s)

CLASS I CARRIERS

	1988	1989	% Change More(Less) 1988-1989
	-----	-----	-----
Number of Companies Filing Annual Reports Included in this Data	170	174	2.4 %
North Carolina Regulated Revenues	\$242,743	\$245,558	1.2 %
Operating Data (Systemwide):			
Operating Revenues	\$18,804,850	\$19,902,536	5.8 %
Operating Expenses	\$17,659,581	\$19,275,112	9.1 %
Net Operating Income	\$1,145,269	\$627,424	(45.2)%
Operating Ratio (Percent)	93.9	96.8	3.1 %
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	26,492	25,568	(3.5)%
Total Salaries Paid (\$-000s)	\$694,019	\$682,249	(1.7)%

CLASS II CARRIERS

Number of Companies Filing Annual Reports Included in this Data	121	117	(3.3)%
North Carolina Regulated Revenues	\$77,660	\$78,071	0.5 %
Operating Data (Systemwide):			
Operating Revenues	\$948,355	\$870,338	(8.2)%
Operating Expenses	\$933,348	\$814,666	(12.7)%
Net Operating Income	\$15,007	\$55,672	271.0 %
Operating Ratio (Percent)	98.4	93.6	(4.9)%
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	4,821	5,101	5.8 %
Total Salaries Paid (\$-000s)	\$99,569	\$102,703	3.1 %

GRAND TOTALS CLASSES I & II

Number of Companies Filing Annual Reports Included in this Data	291	291	0.0 %
North Carolina Regulated Revenues	\$320,403	\$323,629	1.0 %
Operating Data (Systemwide):			
Operating Revenues	\$19,753,205	\$20,772,874	5.2 %
Operating Expenses	\$18,592,929	\$20,089,778	8.1 %
Net Operating Income	\$1,160,276	\$683,096	(41.1)%
Operating Ratio (Percent)	94.1	96.7	2.7 %
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	31,313	30,669	(2.1)%
Total Salaries Paid (\$-000s)	\$793,588	\$784,952	(1.1)%

The number of carriers in each classification changes each year because of the companies' growth in revenue and the changes every few years in the level of revenues required to qualify for the Class I and II classifications. The total number of companies used for this data will not always agree with the total number of companies shown on other charts, due to the fact that the total number of companies represents only the companies that filed their annual report.

FIGURE NO. 9-5A
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
Mobile Home Movers:	1989	1988
Alfred's Mobile Home Movers	\$70,585	\$73,804
American Mobile Home Movers	13,130	0 (A)
B & B Movers, Inc.	273,491	186,630
Backwoods Mobile Home Service & Repair	22,838	29,500
Bales, Narvol Dean	1,252	0 (A)
Bass Mobile Home Moving	80,454	88,962
Big B Trailer Service	38,239	19,925
Billy's Home Service	237,572	269,246
Blue Ridge Grading, Inc.	6,420	3,512
Bob's Mobile Home Moving	14,022	19,377
Bob's Mobile Home Transport & Service	67,688	59,120
Border's Mobile Home Movers	31,183	33,876
Bradly, Bill B.	14,177	13,713
Brafford Mobile Home Transporting	50,624	70,130
Brooks, Danny, Towing	65,624	13,885 (A)
Brown, Alan McChesney	26,040 (B)	61,950
Bryant, Billy, Trailer Moving	87,022	95,911
Bryant's Trailer Convoy	95,164	96,675
Bullock, Richard Edwin	440 (A)	4,950
Butler Mobile Home Movers	51,772	36,583
Canipe's Wrecker Service & Mobile Home Movers	0 (B)	3,950
Cantrell, Charles, Assoc., Inc.	19,313	85,295
Carroll's Mobile Home Transport	57,948	58,988
Carteret Mobile Home Movers	29,381	24,624
Cecil's Mobile Home Service	75,230	77,354
Christian's Mobile Home Movers	10,915	8,527
Coats, Lewis C., Trailer Moving Co.,	90,107 (A)	249,853
Cockerham, Wallace, Towing, Inc.	54,403	61,040
Coley's Welding Service	12,395 (B)	4,905
Council, Jimmie	42,960	19,165
Council's Mobile Movers, Inc.	2,360	12,040
Davis Mobile Home Moving	36,123 (B)	284,433
Davis, James & Rita, Mobile Home Moving	15,225	17,381
Davis, W. L., Mobile Home Movers	77,385	109,410
Denver Mobile Home Moving	86,300	95,000
Doug's Mobile Home Towing, Inc.	267,079	521,853
Ed's Mobile Home Movers	10,850	27,492
Ellis of Wilkes, Inc.	1,730	N/A
Emerson, Phillip M.	28,242	28,333
Evans, Donald, Mobile Home Movers, Inc.	85,500 (B)	215,520
Express Mobile Home Movers	64,400	56,593
Frady, James Woodrow	39,224	42,476
Frankie's Mobile Home Service	3,600	13,300
Franklin's, Johnny, Mobile Home Moving & Service	57,549	0 (A)
Frank's Mobile Home Movers	39,346 (B)	59,112

(A) Partial Year of Operations

(B) Change in Scope of Operations

N/A Not Available

FIGURE NO. 9-5B
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
Mobile Home Movers:	1989	1988
Gilbert, Jimmy, Mobile Home Movers	\$100,000 (B)	\$9,880
Grandpap Mobile Home Service	58,630 (B)	109,785
Hall's Mobile Home Movers	20,230	12,308
Ideal Towing Service, Inc.	72,298	66,033
JR's Mobile Homes, Inc.	2,830	3,600
Jack's Mobile Home Service	21,104	21,838
Jerry's Mobile Home Movers & Service	19,564	34,563
Johnny's Mobile Home Service of Asheville, Inc.	49,479	85,395
Johnson, Jerry, Mobile Home Movers	2,860	3,760
Johnson's Mobile Home Service	75,216	19,500 (A)
Jordan Mobile Home Movers	37,108	0
Junior's Mobile Home Sales & Service, Inc.	7,703	0 (A)
L. B. Transport, Inc.	8,941	11,574
Laughinghouse, Charles C., Mobile Home Movers	154,416	225,914
Lee's Mobile Home Service	26,400	24,300
Lewis, Joe, Mobile Home Moving & Service, Inc.	508,482	371,320
Lorraine Transporters	8,604	4,642 (A)
Lower Creek Mobile Homes	36,439	34,704
Lynn, Garland, Mobile Home Movers	60,210	73,423
McCreary's Mobile Home Towing	55,662	50,953
McLaurin Mobile Home Service	11,250	7,850
McMahan Mobile Home Movers	104,070	97,118
Maness, Walter Clyde	800	950
Marlowe's Mobile Home Repair	74,792 (B)	32,520
Miller Movers	8,515	6,111
Mobile Home Movers & Service	12,460	32,899
Mobile Maintenance, Inc.	26,265 (B)	155,663
Moore's Mobile Manor and Service	147,951	95,646
National Modular Home Service	87,040	117,307
Nichols, Jackie	27,241	38,340
Overbay Transport	370,991	474,415
Patterson, Ralph K.	600	550
Person's Mobile Home Movers	81,750	69,168
Phillips Mobile Home Movers, Inc.	7,571	15,351
Piedmont Mobile Home Movers	8,000	15,000
Piedmont Mobile Home Setup & Service	5,200	5,250
Pinebluff Mobile Home Park	0 (A)	6,310
Pippin, Herbert Joel	69,181	102,069
Pop's Trailer Towing Co., Inc.	105,380	132,333
Potter's Mobile Home Service	83,576	23,796
Quality Mobile Home Sales	22,050	69,328
R. W. Mobile Home Movers	77,047	77,849
Reavis, Bobby, Mobile Home Moving	7,625	0 (A)
Rice's Mobile Home Service	10,193	6,990
Ricks/Kelly Mobile Home Moving Service	21,602	38,106

(A) Partial Year of Operations
(B) Change in Scope of Operations
N/A Not Available

FIGURE NO. 9-5C
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
Mobile Home Movers:	1989	1988
Ridgeway Mobile Home Transporters, Inc.	\$10,725 (B)	\$21,406
Riverside Mobile Home Movers	13,755	19,837
Ronald's Mobile Home Movers	400	0 (A)
Ronald's Trailer Transport	71,169	75,451
S & H Mobile Home Movers	47,250	55,250
S & M Mobile Home Movers	18,190	11,173
Satellite Station	114,154	75,364
Service Recovery Corporation	94,700	108,000
Sloop's Welding Service	88,320	77,932
Spruill, Norman Arlington	136,802	111,731
Starling's Mobile Home Service	425 (A)	9,840
Statewide Mobile Home Movers	8,100	7,650
Stevenson, R. L.	5,873	3,827
T & W Mobile Home Movers, Inc.	121,411	133,519
Tarheel Wheel & Axle, Inc.	132,698	N/A
Tommy's Transporters, Inc.	13,793 (A)	101,611
Tom's Mobile Home Parts Sales and Service	20,000	3,115 (A)
Upchurch Mobile Home Service	9,393	11,400
Waddell, Jackie	274,396	209,878
Ward's Mobile Home Moving Service	14,946	10,078
Williamson Mobile Home Transit	3,375	4,135
Wilson Enterprises, Inc.	122,625	140,397
Wood Mobile Home Movers	5,900	6,700
TOTAL (113)	\$6,481,028	\$7,237,098
Household Goods Movers:	1989	1988
A-1 Moving & Storage, Inc.	\$615,143	\$690,392
A & A Moving	77,875	45,668
AAA Spruill Moving	18,417	38,983
AAA Storage Company, Inc.	404,521	292,230
ABC Moving & Storage, Inc.	909,818	829,571
ACE World Wide Moving & Storage of Raleigh	1,240,870	980,111
Acme Movers & Storage Co., Inc.	472,336	364,016
Affiliated Services	4,687,058	2,460,562
All American Movers of Goldsboro, Inc.	101,345	110,817
All American Moving & Storage Co., Inc.	614,361	484,464
All States Moving & Storage Co., Inc.	374,731	422,109
Allen's Moving Service of Fayetteville, Inc.	176,487	171,630
Alternative Moving Systems	413,812	425,310
Amundsen Moving & Storage, Inc.	133,689	N/A
Asheville Transfer & Storage, Inc.	545,651	765,696
Atlantic Pacific Van & Storage, Inc.	269,167	155,343
Bartlett, Jack, Moving & Construction	91,050	81,521

(A) Partial Year of Operations
(B) Change in Scope of Operations
N/A Not Available

FIGURE NO. 9-5D
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
Household Goods Movers:	1989	1988
Betts, Shirley Edward	\$8,241	\$6,605
Brevard Moving & Storage Co., Inc.	305,176	271,073
Bright's Transfer, Moving & Storage	14,759	13,366
Byers, Samuel Augustus	107,701	108,814
Campbell's Transfer	130,881	96,096
Capitol Van Lines, Inc.	232,669	231,581
Cardinal Moving & Storage, Inc.	972,122	1,031,770
Carolina Relocation Services	479,660	518,764
Cashion Moving and Storage, Inc.	237,053	242,489
Central Warehouse Co. of Durham, Inc.	327,662	305,450
Champion Storage & Trucking Co., Inc.	11,363	9,728
City Transfer & Storage Co. of Fayetteville, Inc.	39,546	56,261
Coastal Moving Co., Inc.	469,498	394,635
Coley Moving & Storage, Inc.	1,568,175	887,523
Crown Moving & Storage, Inc.	563,323	393,264
Cummings, Rodney F.	48,258 (B)	4,691
Custom Moving & Storage, Inc.	464,718	427,844
David's Econo Move, Inc.	388,388	305,688
Dawson-Joyce Moving & Storage Co.	337,798	321,249
DeHaven's Transfer & Storage of Greensboro, Inc.	811,354	783,899
DeHaven's Transfer & Storage of Raleigh, Inc.	1,146,139	932,088
Denham Moving & Storage, Inc.	101,523	165,135
Dixie Moving & Storage Co., Inc.	807,884	N/A
Dunmar Moving Systems	1,827,708	1,739,295
Dunnagan's Moving & Storage	91,352	87,487
East Spencer Moving Corp.	69,254	50,760
Fayetteville Moving & Storage	1,412,612	1,423,663
Fidelity Moving & Storage Co., Inc.	1,648,697	1,162,301
Fleming-Shaw Transfer & Storage, Inc.	977,290	924,511
Four Seasons Moving Company	247,397	235,460
Fox Brothers of Boone, Inc.	141,410	134,837
Gasperson Transfer, Inc.	217,214	212,674
Gilbert Trucking Co.	176,203	183,559
Goldsboro Van & Storage, Inc.	220,428	224,654
Grady's Moving & Delivery Service, Inc.	516,940	485,170
Graebel North Carolina Movers, Inc.	828,071	38,463 (A)
Hall's Transfer	85,960	80,077
Harrison Moving & Storage, Inc.	347,081	288,795
Harvel's, Cliff, Moving Company	88,248	91,553
Highland Moving & Storage Co., Inc.	310,114	257,957
Hill, I. H., Transfer & Storage, Inc.	32,063	50,218
Humphrey, David Charles	4,670	4,376
Humphrey, Troy, Moving & Storage, Inc.	515,215	482,935
Keever Moving Service, Inc.	41,270	36,721
Kepley Moving & Storage, Inc.	74,830	78,152

(A) Partial Year of Operations

(B) Change in Scope of Operations

N/A Not Available

FIGURE NO. 9-5E
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
Household Goods Movers:	1989	1988
Kinston Moving & Storage, Inc.	\$46,338	\$46,833
Klink Transfer & Storage	110,472	110,309
Ladd, J. E. & Son	69,388	81,799
Long Transfer, Inc.	207,387	177,572
McCauley Bros. Moving & Storage, Inc.	259,593	231,500
McCauley Moving & Storage of Fayetteville, Inc.	551,743	868,601
McLawhorn, Charles	191,065 (B)	50,400
Matthews Moving Systems, Inc.	305,507	107,942 (A)
May Moving of Goldsboro, Inc.	513,011	426,349
Merchants Moving & Storage, Inc.	549,838	571,626
Mitchell Brothers Moving	28,243 (B)	17,791
Modern Moving & Storage	911,631	859,458
Morehead Moving & Storage	227,709	263,357
Move-It Company	167,950	189,965
Murray Transfer & Storage Co., Inc.	1,336,834	1,277,349
No-Name Movers	217,175	255,879
Owens, W. W. & Sons, Moving & Storage, Inc.	875,224	785,955
Pannell, Willie Neal, Transfer	2,947 (B)	5,098
Patterson Storage Warehouse Co., Inc.	1,262,853	1,154,635
Piedmont Home Delivery & Services Co.	20,405	15,768
Piedmont Van & Storage Co., Inc.	651,033	671,232
Port City Transfer & Storage Company	170,338	164,998
Queen City Moving & Storage	821,575	700,176
Raleigh Bonded Warehouse, Inc.	109,760	102,963
Raleigh Furniture Storage Co., Inc.	259,491 (B)	410,682
Reliable Van & Storage Co., Inc.	611,536	710,981
Russell Transfer Co., Inc.	626,748	553,549
Salisbury Moving & Storage	408,480	355,200
Sandhills Bonded Warehouse, Inc.	263,998	211,781
Sanford Transfer & Storage Co.	22,311	26,953
Sells Service, Inc.	353,021	344,323
Service Moving & Service Co., Inc.	918,807	845,241
Sheets Transfer and Storage Company, Inc.	631,436	652,882
Smith Dray Line & Storage Co., of N. C., Inc.	908,242	809,634
Smith, Elton C., Jr., Moving Co.	136,615	112,185
Smith Transfer & Storage	12,452	12,945
Smith, W. E., Moving Company, Inc.	142,624	145,797
Staley Moving Vans	14,371	10,411
Standard Moving & Storage	326,995	284,473
Stanley Transfer Company, Inc.	1,880,560	2,276,855
State Moving & Storage, Inc.	280,880	382,060
Sunbelt Moving Systems, Inc.	826,687	993,786
Tarheel Moving & Storage, Inc.	719,497	727,914
Taylor Transfer & Storage Co.	262,213	292,969
Terminal Storage Company, Inc.	388,734	351,625

(A) Partial Year of Operations

(B) Change in Scope of Operations

N/A Not Available

FIGURE NO. 9-5F
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
Household Goods Movers:	1989	1988
Thomas Transfer, Inc.	\$213,961	\$282,740
Tri-City Moving & Storage, Inc.	1,224,431	1,074,204
Tri-State Moving & Storage	54,850	98,157
Tru-Pak Moving Systems, Inc.	9,786,100	9,123,700
Tryon Moving & Storage, Inc.	338,811	518,861
Turner's Moving Service	27,585	N/A
Umstead Brothers, Inc.	424,137	372,085
Union Transfer & Storage Company, Inc.	1,184,931	1,048,006
West Brothers Moving & Storage, Inc.	986,755	761,643
West's Durham Transfer & Storage Co., Inc.	455,110	223,232
Wile Transfer & Storage Company, Inc.	538,174	466,962
Williams Transfer & Storage, Inc.	229,823	235,915
Williams, R. M., Moving Service	102,934	83,938
Willis Moving & Storage, Inc.	221,869	185,409
Wilmington Oil and Moving Co., Inc.	158,431	177,190
Wyatt & Son Transfer	1,430	N/A
Young Moving & Storage, Inc.	5,594,713	5,230,524
Young Transfer	1,441,254	1,337,909
TOTAL (125)	\$73,183,265	\$64,970,330
General Freight Carriers:	1989	1988
A-1 Wrecker Service of Chatham Co., Inc.	\$156,567	\$193,039
ACE Transport, Ltd.	1,128,733	951,093
AJS Trucking	1,197,624	N/A
A & F Equipment Service Co., Inc.	23,538 (A)	69,487
A & J Motor Lines, Inc.	111,947	135,978
Abernathy Transfer & Storage Co., Inc.	27,738	30,936
Acme Petroleum & Fuel Company, Inc.	248,178	167,347
Airport Transportation Service, Inc.	936,594	914,247
Alexander Trucking Company of Davidson, Inc.	187,465	187,466
Alford, Cliff, Trucking, Inc.	290,461	287,468
Ammons Trucking Company	93,751	72,331
Amtrac, Inc.	402,836	N/A
Another Day Trucking, Inc.	92,367	31,147 (A)
Armored Protective Service, Inc.	257,781	266,023
Arndt Trucking, Inc.	189,261	199,807
Ausley, Cecil Thomas	268,620	211,024
B & B Lines, Inc.	344,516	362,513
B & C Trucking Co., Inc.	156,967	129,357
B & P Trucking	66,976	67,663
B & W	38,000	45,000
B & W Grain & Feed Service, Inc.	127,416	106,504
B-Freight Lines, Ltd.	642,165	567,464

(A) Partial Year of Operations

(B) Change in Scope of Operations

N/A Not Available

FIGURE NO. 9-5G
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
General Freight Carriers:	1989	1988
BCJ Trucking, Inc.	\$6,427	\$4,493
BHL Transport, Inc.	660,236	1,009,353
Baker Transportation Co., Inc.	2,178,982	N/A
Baker's Delivery Service	79,706	66,852
Barco Pickup & Delivery	72,610	64,000
Beam Express	1,130,266	447,805 (A)
Beasley, Valton, Contract Hauling	74,025	89,767
Beeline Carriers, Inc.	281,524	266,174
Bell Truck Line	107,928	168,856
Best Cartage, Inc.	785,445	635,537
Best Way Motor Lines, Inc.	907,552 (B)	1,069,615
Bestway Express, Inc.	4,851,622	3,946,072
Bevtran, Inc.	241,743	259,036
Black Trucking Company	525,755	545,882
Blevins Motor Express	68,987	61,281
Blount Transit, Inc.	271,014	N/A
Blue Ox Distribution Company, Inc.	829,519	918,530
Blue Wing Courier	408,979	336,394
Bonus Motor Express, Inc.	2,789,229	1,400,000
Bostick, James Richard	32,417	38,065
Brendle Transport, Inc.	595,101	334,698
Bright Belt Motor Lines, Inc.	1,025,163	929,133
Bright, Thomas Elton	73,060	78,032
Broglin Delivery Service	109,470	106,870
Brookshire Express Services	299,544	300,596
Brothers Delivery Company, Inc.	150,000	139,445
Brown Oil & Transit Company, Inc.	64,402	68,199
Bryant & Sons Auto & Farm Equipment Movers	40,151	19,578
Bryson Machinery Mowers & Riggers, Inc.	129,235	133,640
Brytran, Inc.	597,810	574,547
Bud's Trucking	23,400	23,040
Budget Courier Service, Inc.	47,387	12,864
C & E Transportation Company	16,686	66,923
C & M Enterprise	68,856	62,619
C & O Warehousing	33,534	33,469
C.L.P. Enterprises, Inc.	3,727,516	3,052,807
C. N. Trucking Co.	175,613	215,731
C. S. Transport	5,957,168 (B)	2,291,954
CJS Courier Service Plus, Inc.	324,651	212,385
CSC Erectors, Inc.	915,450	750,316
Campbell Trucking, Inc.	264,751	224,342
Carolina Carriers, Inc.	317,416	634,381
Carolina Haulers, Inc.	350,590	324,329
Carolina Parcel Service	124,235	75,226 (B)
Carolina Storage Corp.	98,044	112,283

(A) Partial Year of Operations
(B) Change in Scope of Operations
N/A Not Available

FIGURE NO. 9-5H
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
General Freight Carriers:	1989	1988
Carolina Taxi & Industrial Transportation, Inc.	\$124,882	\$75,456
Carpenter Trucking Co., Inc.	736,412	822,078
Carr Transport, Inc.	256,578	243,173
Case, C.W., Inc.	106,829	101,196
Cason Builders Supply	366,838	473,278
Caustic Soda Transportation Co.	410,640	410,635
Cencar Services, Inc.	453,791	459,601
Charlotte Bay Trading Company	996,355	905,568
Chemical Cartage Co., Inc.	373,162	N/A
Chestnut Enterprise Trucking	512,982	110,760 (A)
Childers, Jerry W., Inc.	127,580 (B)	41,422
Christie, Craig L.	91,725	107,026
Citizen Express, Inc.	687,878	621,728
Clark, J. B., III	759,484	1,160,099
Clark, Osker A.	145,156	175,334
Clark Transportation Service, Inc.	292,917	108,748
Cloninger, C. F., Trucking, Inc.	683,535	669,421
Coachman, Eric L.	38,848	45,415
Coastal Wrecker Service, Inc.	664,927	87,036 (A)
Collins Trucking Company	261,466	245,024
Colt Fast Delivery, Inc.	569,091	202,370 (A)
Columbus Motor Lines, Inc.	1,644,894	1,276,720
Commercial Equipment Company, Inc.	449,047	N/A
Commercial Warehouse, Inc.	61,399	74,371
Continental Industrial Chemicals, Inc.	13,141	9,150
Continental Transport Systems	63,168 (B)	259,607
Cook & Sons, Inc.	135,954	184,909
Cook's Transfer & Storage	410,534	464,227
Cooley Transport, Inc.	517,499	453,427
Crawford Deliveries, Inc.	84,629	94,200
Cromartie Transport Co., Inc.	998,765	877,563
Culberson Motor Lines, Inc.	1,128,263	1,076,044
Cummings, Rodney F.	48,258 (B)	4,691
Curlee Trucking, Inc.	504,189	226,176 (A)
Custom Freight, Inc.	46,884	60,777
D & D Contractor, Inc.	8,761	14,771
D & I Trucking, Inc.	1,082,771	746,345
D & N Motors	15,370	15,385
Daniel-Keck Taxi Co., Inc.	89,741 (B)	167,163
Davidson, R., Trucking	1,178,539 (B)	571,155
Davis, Wallace, Trucking	691,082	686,587
Deerwood Transport, Inc.	733,474	665,721
DeLoatch Transportation, Inc.	121,000	155,194
Dependable Tank Lines, Inc.	3,018,971	2,856,219
Dew Transport Company	770,934	629,244

(A) Partial Year of Operations

(B) Change in Scope of Operations

N/A Not Available

FIGURE NO. 9-51
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
General Freight Carriers:	1989	1988
Direct Express Courier Services, Inc.	\$2,678,649	\$2,363,907
East Carolina Cartage Company, Inc.	968,456	652,726
Eastern Courier Corporation	575,522	471,705
Eastern Delivery Service, Inc.	485,000	451,000
Eastern Fuels Transport, Inc.	1,100,831	N/A
Eastern Waste Paper Co.	884,357	703,643
Economy Transport, Inc.	20,979 (B)	52,678
Embers Express Trucking Company, Inc.	1,407,403	1,577,000
English Trucking Co.	198,815	170,877
Essick, Ike C.	240,534	219,287
Evans, Charles	87,975	N/A
Everette, W., Company, Inc.	296,865	31,198 (A)
Exemptco of Surry County	369,487 (B)	316,877
Faircloth, Henry, Trucking	145,021	174,124
Faison's Delivery Service	60,261	66,960
Federal Motor Express, Inc.	2,561,570	1,721,000 (A)
First Express	405,944	373,243
Fleetwood Express, Inc.	358,057	351,820
Fleig Leasing, Inc.	1,638,839	1,569,536
Foothills Trucking Co., Inc.	1,337,631	1,101,856
Ford's Contracting Service	29,514	30,361
Fortson Trucking Company	485,989	501,664
Fuller, Thurston & Edith	91,389 (B)	51,316
Fuquay Tobacco Contractor	0 (B)	3,967
Gate City Towing Service, Inc.	65,606	105,389
Gilbert Transfer Company	1,426,354	1,015,554
Glover, James Harold, Trucking, Inc.	43,071	40,735
GOCO Transportation, Inc.	40,758	52,947
Gold Hill Trucking Co., Inc.	96,684	37,957 (A)
Graham, Garland R.	100,918	78,697
Grant Enterprises, Inc.	367,129	364,944
Graphics Express	208,708	152,701
Greene Haulers, Inc.	132,204	117,357
Gupton, Donald L.	151,000	160,000
H I T	105,075	135,050
Haigler Trucking Company	972,646	873,743
Harris, Billy, Trucking Co., Inc.	287,807	166,975
Harrison, Silas, Jr., Inc.	254,783	176,923
Hatchell Oil Company	69,869	66,086
Hawley Transport, Inc.	2,626,301	1,976,548
Hazardous Waste Transport, Inc.	632,870	405,486
Hedrick, Sanford M., Jr.	98,456	117,989
Hickory Merchants Delivery, Inc.	240,121	225,593
High Point Delivery Company	44,192	42,633
Hilco Transport, Inc.	1,839,591	1,413,622

(A) Partial Year of Operations
(B) Change in Scope of Operations
N/A Not Available

FIGURE NO. 9-5J
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

General Freight Carriers:	TOTAL COMPANY REVENUE	
	1989	1988
Hodges, Ed F., Inc.	\$131,021	\$184,781
Holland Transfer Co.	1,165,925	1,148,467
Holt, H. R.	254,794	248,056
Hough, Butch, F. C., Trucking	112,353	80,970
Howell Transfer Co., Inc.	175,560	280,666
Hunt's Trucking Co.	33,500	32,800
Inman, Gene, Trucking, Inc.	2,150,483	1,621,891 (A)
Interstate Cartage Co., Inc.	975,872	N/A
Ivey, Richard, Jr., Trucking	65,036	75,159
Ivory, Inc.	38,809,878	36,286,971
J. E. D. Transport, Inc.	631,638	880,623
J. H. M. Leasing, Inc.	87,152	10,415
Jackson Trading Company, Inc.	159,000	174,023
Jackson, Stacy W., Trucking	45,766	59,226
Jiffy Express Co.	213,746 (B)	93,382
John's Auto Repair, Inc.	669,640	513,582
Johnny's Transfer Co., Inc.	648,386	665,817
Johnson, Clarence	68,852	83,363
Johnson, James Walter	78,089	82,850
Johnson, Shelba D., Trucking, Inc.	4,954,477	3,646,478
K. B. D. Services, Inc.	957,069	526,540
Kendall Trucking & Grading	522,125	535,530
Kentec, Inc.	72,293	72,050
L & R Trucking	56,401	38,233
L. U. Carriers, Inc.	1,517,992 (B)	751,783
LADD Transportation, Inc.	4,287	3,945
Lee, Husel G.	112,457	84,487
Lewis & Lewis Trucking Company	329,245	N/A
Lewis, J. W., Transport, Inc.	193,122	0 (A)
Lewis Storage Company, Inc.	73,333	67,802
Liberty Trucking	69,853	63,292
Locklear, C. D., Trucking Company	415,000	175,000 (A)
Lockwood Brothers, Inc.	552,549	614,309
Long Transportation Services, Inc.	2,728,469	1,402,456
Lovette Company	524,209	389,206
Lumberton Masonary Company	125,230	168,683
McCann Enterprises, Inc.	530,587	506,686
McFarling, M. H., Trucking Company	131,300 (B)	21,612
McKinney, James G.	4,654	3,185
McLeod Trucking & Rigging Co., Inc.	183,110	260,184
M & P Transfer, Inc.	338,615	198,098
Macon, Robert L.	219,765	248,806
Mangum, C. C., Inc.	47,398 (B)	208,621
Marshall, Sherman W.	73,650	80,796

(A) Partial Year of Operations

(B) Change in Scope of Operations

N/A Not Available

FIGURE NO. 9-5K
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
General Freight Carriers:	1989	1988
Marshall's Pick-Up and Delivery	\$26,878	\$21,894
Martin, Roger E., Inc.	838,231	969,711
Metrolina Courier, Inc.	815,949	704,778
Mid-State Service Co.	66,507	71,582
Mills, Leroy	85,558	92,475
Mini-Haul, Inc.	81,666	109,177
Mitchell Express, Inc.	44,190	43,184
Mode, Ken	3,489	0 (A)
Modular Transporters	136,786	0 (A)
Morgan, Garrett, Trucking, Inc.	407,887	344,943
Morgan Trucking, Inc.	4,801,835	4,661,594
Morven Freight Lines, Inc.	938,256	868,663
Motor Freight Specialist	664,220	656,851
Mount Airy Oil Company, Inc.	100,777	132,881
Mountain River Trucking Company, Inc.	229,778 (B)	160,674
Mullen's, Henry, Trucking	387,775	351,000
Mullis, Brandon L., Inc.	6,030	8,270
N. C. Transport, Inc.	1,278,291	895,519
Natron Express, Inc.	2,417,354	2,149,076
Neuse Transport, Inc.	593,378	498,696
New-Con Transportation, Inc.	1,115,842	893,485
Newsom Transports, Inc.	232,242	228,844
Nichols, A. T., Trucking Co.	530,210	595,433
Nichols, Robert, Hauling	187,152	109,997
Nordan Transportation Co., Inc.	72,251	76,186
Norris, Elwood, Inc.	267,802	251,357
Northside Storage Company	128,028	99,373
North State Transport	9,210	0 (A)
Oakridge Transport	564,179	0 (A)
Odum, Ernest, Trucking Co., Inc.	108,723	98,673
P A C Transport, Inc.	1,450,845	1,900,409
PDC Trucking Company	344,547	309,949
Package Delivery, Inc.	698,300 (A)	975,118
Package Delivery Service of Durham, Inc.	362,663 (B)	98,402
Package Pickup Service, Inc.	N/A	343
Palco Trucking, Inc.	186,948	191,874
Paramount Express, Inc.	1,815,048	1,633,722
Perry, Stanley Kent	76,891	82,000
Perry & Turner Trucking Co., Inc.	3,413,233 (B)	1,774,731
Petroleum Transport Company, Inc.	2,155,409	1,435,067
Piedmont Grading & Wrecking Co., Inc.	457,374	359,207
Piedmont Paper Stock Co. - Chesapeake Corp.	12,946	15,417
Piedmont Transportation, Inc.	531,203	197,387 (A)
Piggy Back and Cartage	70,750	84,412
Pioneer Trucking Company	1,192,521	108,507 (A)

(A) Partial Year of Operations
(B) Change in Scope of Operations
N/A Not Available

FIGURE NO. 9-5L
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
General Freight Carriers:	1989	1988
Polar Transport, Inc.	\$186,062	\$208,668
Poteat, Lindsey	72,049	85,684
Powell, S. E., Jr.	96,024	81,481
Price, Warren G.	73,569	72,621
Pronto Delivery, Inc.	698,300	975,118
Public Transport Corporation	462,334	488,672
Puryear Transport, Inc.	1,448,184	1,251,476
Rakes, Jimmy L., Trucking Co., Inc.	363,404	318,559
Rapid Transit	399,145	363,103
Ray Mac Supply Company	135,817	154,688
Re-Jim, Inc.	66,453	75,430
Reco Transportation	9,918,165	0 (A)
Ree Trucking, Inc.	153,642	12,646 (A)
Regional Storage & Transport, Inc.	154,549	391,696
Respass Trucking, Inc.	239,837	194,915
Reynolds Trucking Co., Inc.	1,549,324	1,416,012
Rivers Trucking, Inc.	353,701	413,390
Roberson, Norman	73,820	61,179
Roberts Delivery, Inc.	6,700	6,300
Robinette Trucking, Inc.	57,582	49,472
Roney, W. C., Trucking Co., Inc.	49,410	45,123
Rooks Farm Service, Inc.	107,846	111,087
Roscut-Draughon	136,696	142,998
Rosdahl, Lloyd, Machinery Riggers, Inc.	29,968	27,540
Routh Transportation, Inc.	194,774	193,677
S.A.F.E.	669,111	665,440
S & R Wrecker Service, Inc.	715,154	782,738
S & W Motor Lines, Inc.	925,943	714,845
STG Transport, Inc.	563,478	631,165
Sampson Tobacco Warehouse, Inc.	4,792 (B)	15,493
Sanders, Ervin	58,686	74,008
Santita Trucking Company	3,412,376	2,825,728
Seaboard Western Express, Inc.	668,492	504,647
Shaw, A. L. & Sons, Trucking, Inc.	98,418	0 (A)
Shaw Trucking Company, Inc.	77,929	N/A
Shepard Motor Lines, Inc.	796,172	575,496
Smith, Alvin Alexander	68,828 (B)	122,918
Smith, Donald A.	513,384	N/A
Smith, Edgar	44,640	54,933
Smith, Ernest Thomas	65,335	62,246
Smith, Sam W.	169,690	164,254
Snow, Jerry J., Trucking Company	300,352	66,729 (A)
Sonic Express, Inc.	109,611	53,214 (A)
South Freight Service, Inc.	3,102,189	1,677,814
Southeastern Transport, Inc.	2,237,970	1,982,031

(A) Partial Year of Operations

(B) Change in Scope of Operations

N/A Not Available

FIGURE NO. 9-5M
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
General Freight Carriers:	1989	1988
Southern Container Corporation	\$9,383 (A)	\$11,095
Southern Freight Service, Inc.	114,645	123,155
Southway Trucking Co., Inc.	1,508,545	1,315,002
Spinco, Inc.	113,924	190,450
Stainback Trucking, Inc.	270,276	319,191
Stallings, Harold Ray	69,500	72,400
Star Express, Inc.	508,963	507,771
State Trucking Company	375,391	274,610
Stegall Milling Company, Inc.	213,710	283,953
Stonecutter Trucking Co., Inc.	1,038,149	1,033,160
Suiter, John Arthur, Jr.	71,911	80,986
Superior Delivery Service, Inc.	898,764	824,036
Swicegood, Donald J.	351,934	329,962
Swinson Trucking Company, Inc.	222,678	259,144
Sykes, Edward Stewart	78,519	72,177
TGH Enterprises, Inc.	209,371	195,502
Tamway Trucking, Inc.	304,927	279,953
Tank Lines, Inc.	1,313,178	1,222,084
Tarheel Transport, Inc.	815,820	772,111
Taylor Express, Inc.	1,231,087 (B)	536,687
Tedder, Foster, Sr.	49,221	N/A
Thomas & Howard Company of Hickory, Inc.	221,626	220,894
Thompson, David, Trucking Company	807,222	780,537
Tidewater Fuels, Inc.	1,109,633	1,301,676
Tol-Co., Inc.	61,120	61,300
Tomahawk Trucking, Inc.	1,856,947	1,812,972
Tri-County Transport	52,379	76,907
Triad Distribution Service	96,105	100,802
Triad Transport, Inc.	295,427	325,703
Triangle Building Supply, Inc.	4,865 (B)	11,097
Triangle Express	182,245	191,624
Triangle Trailer Rentals, Inc.	212,288	118,695
Truck Air of the Carolinas, Inc.	4,928,461	4,587,652
Truck Transfer Service, Inc.	739,073	703,880
Turner, Guy M., Inc.	2,127,083	1,802,491
Twin City Warehouses, Inc.	109,976	139,968 (A)
Tyler, James L.	114,735	120,916
Vickers, C. L., Transfer, Inc.	894,119	983,590
Waccamaw Transport, Inc.	975,168	933,825
Watson Transportation Co.	15,002	18,344
Watts Trucking Company	200,050	211,615
Westover Express, Inc.	1,038,742	160,077 (A)
White Transfer & Storage Co., Inc.	10,852,000	8,788,000
Wilkinson Freight Lines, Inc.	523,600	401,014

(A) Partial Year of Operations
(B) Change in Scope of Operations
N/A Not Available

FIGURE NO. 9-5N
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1989 AND 1988
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
General Freight Carriers:	1989	1988
Willcar, Inc.	241,141	117,314
Williams, Melvin Douglas	47,788	57,865
Woodell Delivery Service, Inc.	404,818	294,570
Wright Motor Lines, Inc.	134,431	112,977
Willcar, Inc.	\$241,141	\$117,314
Williams, Melvin Douglas	47,788	57,865
Woodell Delivery Service, Inc.	404,818	294,570
Wright Motor Lines, Inc.	134,431	112,977
TOTAL (339)	\$249,131,330	\$195,109,080
GRAND TOTAL (577)	\$328,795,623	\$267,316,508

(A) Partial Year of Operations
(B) Change in Scope of Operations
N/A Not Available

Grand Total Class III Motor Freight Carriers:
1989 = 577 Active Carriers
1988 = 519 Active Carriers

FIGURE NO. 9-6
CLASS III MOTOR FREIGHT CARRIERS -- AUTHORITY GRANTED IN 1989
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
(ACTUAL DOLLARS)

	1989 TOTAL COMPANY REVENUE		1989 TOTAL COMPANY REVENUE
MOBILE HOME MOVERS:		GENERAL FREIGHT CARRIERS:	
America's Best Movers	\$34,750	Budget Freight, Inc.	N/R
American Mobile Home & Auto	N/R	CV & C Cartage	N/R
Ashley Mobile Home Service	35,576	Carlson, Bertis, Trucking, Inc.	\$4,003,616
Barefoot Mobile Home Movers	80,518	Carmac Transport, Inc.	2,260,757
Big Apple Mobile Home Movers	28,175	Carolina Express	N/R
Bill's Mobile Home Movers	19,050	Carolina Trailer Rentals	6,774
Billy's Mobile Home Moving	9,295	Carpet Transport, Inc.	N/R
Billy's Mobile Home Service	N/R	Chandler Trucking	58,689
Brother's Mobile Home Movers	68,964	Cheetah Transportation	0
Burlington Trailer Sales & Service, Inc.	0	Commercial Grading, Inc.	0
Callahan's Mobile Home Service	N/R	Cotten, James Ray	N/R
Coats, Kenneth L.	0	Courier Dispatch Group, Inc.	56,325
Coopers Mobile Home Movers & Service Co.	53,321	Craco Freight Carriers, Inc.	106,494
D. F. Mobile Home Movers, Inc.	39,000	Craig Transportation Company	198,438
Elkins & Son Mobile Home Moving & Service	N/R	Crystal Coast Transport	N/R
Hart Mobile Home Movers	N/R	DCV Corporation	0
Howard Mobile Home Movers	N/R	Deans Wrecker Service, Inc.	N/R
J & K Mobile Home Movers	N/R	Delancey Street Moving & Transport	N/R
Larry's Mobile Home Repairs	N/R	Dillard Trucking	N/R
Mobile Home Movers (L.K.N., Inc.)	0	Edge, Leonard, Auto Sales	6,192
Phils Mobile Home Repair	71,276	Family Dollar Stores, Inc.	53,569
Siler City Mobile Home Movers & Service	13,870	Flash Courier Service, Inc.	24,867
Stephens, Daniel Edward	2,225	Floyd & Beasley Transfer Company, Inc.	20,059,287
Taylor Mobile Home Service	N/R	G & H Transportation	177,370
		G & M Transport Company	251,092
TOTAL MOBILE HOME MOVERS (24)	\$456,020	Gardner, William W.	N/R
		Gemini Transportation Services, Inc.	84,932,907
HOUSEHOLD GOODS MOVERS:		Gibson, Boyce Ray, Trucking Company	N/R
Armstrong Transfer & Storage Co., Inc.	\$842,856	Harris Trucking	48,333
Carter's Transfer	1,735	Hite Trucking Company, Inc.	N/R
Clinton's Transfer & Storage	6,062,216	Hyde, Blake, Trucking, Inc.	8,758,990
Mighty Movers	N/R	International Transport, Inc.	85,859,637
		Investment Resources	1,161,397
TOTAL HOUSEHOLD GOODS MOVERS (4)	\$6,906,807	J & B Delivery Service	52,768
		Koerner, Christopher Todd	62,300
GENERAL FREIGHT CARRIERS:		Kopf Trucking, Inc.	N/R
Ag-Liquids, Inc.	\$0	Lattimore Trucking	232,668
Aeronautics Express	N/R	Lee Brothers Trucking	1,183,633
American Messenger Service	293,276	Leggett's Trucking	72,178
Associate Express	0	Little, P. D. & Son, Trucking	73,867
Autofix Corporation	N/R	Lloyd's Trucking	57,408
B & J Enterprises	0	MEP Express	56,950
Baker's Delivery Service-Same Day Service	20,534	Macfield, Inc.	35,172
Barnes, O. F., Trucking Company	3,951	Mediquik Express	6,815,251
Bass, Dennis L., Contract Carrier	N/R	Miller Truck Lines	N/A
Bill's Wheels	30,000	Mills, A. R., Trucking	N/R
Blue Ridge Produce & Plant Co., Inc.	130,455	Morgan Trucking Company	0
Brubaker Transfer, Inc.	1,577,628	O'Neal, James W., III	66,572
		PTS Investments	1,136,876
		Parmenter, Tom, Trucking, Inc.	149,940

FIGURE NO. 9-6 CONTINUED
 CLASS III MOTOR FREIGHT CARRIERS -- AUTHORITY GRANTED IN 1989
 GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
 (ACTUAL DOLLARS)

1989 TOTAL COMPANY REVENUE		1989 TOTAL COMPANY REVENUE	
GENERAL FREIGHT CARRIERS:		GENERAL FREIGHT CARRIERS:	
Phifer Trucking	\$36,577	Sundance Enterprises	N/R
Piedmont Security Services, Inc.	46,633	Taylor, Laura L.	\$2,600
Quensinberry Garage Wrecker Srvc. & Truck Sale	21,163	Terra First, Inc.	N/A
RW Trucking Company	161,455	Torque Storage Trailers, Inc.	292,383
R & H Motor Lines, Inc.	0	Transit Express of Charlotte, Inc.	363,803
Rapid Run	51,268	Unifi, Inc.	N/A
Roadworthy Leasing	N/R	WBT Services, Inc.	899,945
Robinson, Jimmie A., Sr.	42,402	Wagram Paper Company	N/R
Rorie, C. M., Transportation	55,119	Walker Contract Service	0
Rountree Movers	1,590	West Delivery Service	173,000
Sandhill Express, Inc.	0	Wiggins, James W.	25,196
Shea, M. J., & Company	N/R	Zenith Freight Lines, Inc.	3,720,378
Silver Bullet Carrier	N/R		
Small, Carlton	256,005	TOTAL GENERAL FREIGHT CARRIERS (92)	\$226,556,332
Smiths Wrecker Service	14,440		
Sonic Express, Inc.	53,214	GRAND TOTAL (120)	\$233,919,159
Southeastern Specialty Haulers	0		
Southern Western Express, Inc.	263,000		

N/R = No Annual Report Filed
 N/A = Information Not Available

INACTIVE MOTOR FREIGHT CARRIERS--CLASS III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
FOR THE CALENDAR YEAR 1989

MOBILE HOME MOVERS:

All American Mobile Home Sales & Service
Atlantis Transporters
Barbour Mobile Home Movers & Service
Barnett's Mobile Home Movers
Bissell, Herbert, Mobile Home Movers
Byrd, Franklin Yates
Cabarrus Mobile Home Towing, Inc.
Chambers Mobile Home Movers
Delivery Services, Inc.
Ed's Used Cars
Eric's Mobile Home Service
Glover Sales, Inc.
Gore's Transporting, Inc.
Harris Mobile Home Movers
Helms Mobile Home Towing
Heritage Homes, Inc.
Herring Mobile Home Movers
Joyful Homes, Inc.
Landmark Mobile Homes, Inc.
Lewis, Lionel Bert
M & M Movers
Master Mobile Home Movers, Inc.
Minton, Edwin
Mobile Home Movers, Inc.
Mobile Home Sales & Repair
Moncure, Henry, Motors, Inc.
P & Y Mobile Homes, Inc.
Pamlico Mobile Home Movers
Paul, Charles Furney
Piedmont Mobile Home Movers, Inc.
Piedmont Mobile Home Service
Pierce, Alton Mobile Home Service
Pierce Mobile Home Service
Ratley Mobile Home Sales & Service
Rorer, Russel D., Mobile Homes
Steve's Transport
Troy Homes Corp.
Village Homes of the Pamlico, Inc.

TOTAL MOBILE HOME MOVERS--38

HOUSEHOLD GOODS MOVERS:

A Christian Moving Company, Inc.
Ace Moving & Storage Company
Alamance Transfer & Storage Co., Inc.
American Distribution Systems, Inc.
B & W Local Moving, Inc.
Brink Moving & Storage
Burks Moving & Storage, Inc.
Century Movers

HOUSEHOLD GOODS MOVERS:

Greenwood Transfer & Storage Co., Inc.
Griffin Transfer & Storage Co., Inc.
Haley Transfer and Storage, Inc.
Hoyle Transfer and Storage
Jiffy Moving & Storage
Joe's Moving & Hauling
Jones, Henderson Samule, Transfer
Native American Trucking Company
North American Trans. & Storage of Asheville, Inc.
Seaboard Moving & Storage, Inc.
Small Time Movers
Wainwright Transfer Co. of Fayetteville, Inc.
Weathers Brothers Moving & Storage Co., Inc.
Wilmington Oil & Moving Service, Inc.

TOTAL HOUSEHOLD GOODS MOVERS--22

GENERAL FREIGHT CARRIERS:

Anderson Trucking Company
Anthony's Cargo Express, Inc.
Atlantic Oil Service, Inc.
BRT Transport
Blue-Bird Diamond Taxi Assoc.
Bridgeways Company, Inc.
C & O Trucking
CLC Rentals, Inc.
Cauthern Gin & Bag Co., Inc.
Cedar Hills Trucking, Inc.
Chatham Trucking Company
Coca Cola Bottling Company Consolidated
Continental Freight Systems, Inc.
Council, Artice Lee
Dixon, Frances Maelois
Dixon Trucking Co., Inc.
E & B Corporation
Eggleston, Gorris, Oil Transport
Eller, Sam D., Motor Carrier, Inc.
Erwin Oil Company, Inc.
Eure, C. H., Trucking, Inc.
Falcon Courier, Inc.
Federated Transport, Inc.
First Choice Towing
Fowler, M. M., Inc.
Godwin Transport Company, Inc.
Guignard, L. B., Inc.
H & H Transport
H & M Wood Preserving, Inc.
Harvey, L. & Son, Company
Hendrix, T.C., Jr.
Hildebran Freight Brokers, Inc.

FIGURE NO. 9-7 CONTINUED

INACTIVE MOTOR FREIGHT CARRIERS--CLASS III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
FOR THE CALENDAR YEAR 1989

GENERAL FREIGHT CARRIERS:

Hill-Top Transport, Inc.
Hollowell Transportation Co., Inc.
Honeycutt, J. B., Co., Inc.
Hopper Brothers, Inc.
Industrial Asphalt Transport, Inc.
J & W Service
Jenkins, J. W., Inc.
Jet Express Delivery, Inc.
Jones Transfer, Inc.
L & N Trucking
Land-Link, A Division of Europa Auto Search
Lester Transportation, Inc.
Lewis Contract Carriers
Liberty Transportation Lines, Inc.
Lumbee Trucking Co., Inc.
MCB Trucking, Inc.
M & E Express Couriers, Inc.
Majors, Fred G.
Marco-Pascal Co., Inc.
Marsh's Trucking Company, Inc.
Martin, W. M., Company, Inc.
Maxton Oil & Fertilizer
Metro Air-Land Express, Inc.
Mickel, David Jessie, Trucking Company
Mitchell, Cyrus A., Jr.
Mooresville Oil Co., Inc.
Pacemaker Corporation
Petroleum Express
Piedmont Delivery Service, Inc.

GENERAL FREIGHT CARRIERS:

Pilot Van Lines, Inc.
Pipe Line Haulers, Inc.
Porter, John E.
Proctor, F. C.
Professional Transport
Reliable Delivery
Riggs, Robert J., Jr.
Roadworthy Leasing, Inc.
Robinson, Joseph Edward
Rupard, C. B. & Sons, Inc.
Sky/Land Couriers, Inc.
Smith, Joe Neil, Trucking
Stewart, Herman
Stewart, Michael T.
Swain, Bob, Inc.
Swann, A. D., Trucking Co., Inc.
Tharrington Brothers
Tobacco Growers Service, Inc.
Tobacco Transport
Turnmire, Major Elihue
Twisdale Trucking Company
White, Donnie, Trucking, Inc.
Williams, A. T., Oil Company, Inc.
Zackly Rite Trucking, Inc.

TOTAL GENERAL FREIGHT CARRIERS--85

GRAND TOTAL INACTIVE CARRIERS--145

FIGURE NO. 9-8

General Rate Increases Approved for Motor Freight Carriers
During Calendar Year 1989

Docket Number	Date Filed	Amount Requested (000s)	Amount Approved (000s)	% Approved of Amount Requested	Date of Final Order
T-825, Sub 305	10-26-88	\$2,012	\$2,012	100.0%	4-3-89
T-825, Sub 306	2-27-89	11,680	11,680	100.0%	5-2-89
T-825, Sub 307	5-19-89	328	328	100.0%	7-12-89
T-825, Sub 308	5-3-89	200	200	100.0%	6-3-89
T-825, Sub 310	6-9-89	915	915	100.0%	8-8-89
T-825, Sub 311	8-9-89	486	486	100.0%	8-31-89
T-1039, Sub 13	8-31-89	80	80	100.0%	9-12-89
T-1317, Sub 26	2-6-89	2,445	2,445	100.0%	2-22-89
T-2143, Sub 10	6-2-89	33	33	100.0%	6-15-89
Total		\$18,179	\$18,179	100.0%	



X. The Transportation Industry — Motor Passenger Carriers

A. GENERAL COMMENTS

1. REGULATED PRIVATELY OWNED SECTORS

For the purpose of filing annual reports, both the Interstate Commerce Commission (ICC) and the North Carolina Utilities Commission (NCUC) authorized the following classifications effective January 1, 1980, for the motor passenger carriers:

CLASSIFICATION REQUIREMENTS

Class I	\$3,000,000 or more annual operating revenues
Class II	\$500,000--\$3,000,000 annual operating revenues
Class III	Under \$500,000 annual operating revenues

As of December 31, 1989, there were 141 motor passenger carriers franchised to operate under the regulation of the North Carolina Utilities Commission. See Figure No. 10-1 for a list of the companies and their scope of operations. The two bus systems operated by Duke Power Company in Durham and Greensboro are franchised by the governing authorities of the municipalities in which they operate. The Commission's jurisdiction over these two carriers is limited to the approval or disapproval of fares and to the annual filing of reports of operations. The remaining 139 carriers are fully regulated by the Commission. These companies include 64 transportation brokers, eight motor boat passenger carriers, and 67 motor passenger carriers. Transportation brokers, as herein used, means any person not a bona fide employee or agent of a motor carrier who engages in the business of selling or offering for sale any transportation of passengers by motor carriers for compensation, either directly or indirectly. A transportation broker does not own or operate the vehicles used to transport passengers to whom he sells or arranges

for this type of service. The 64 brokers involved in this report are not required to file an annual report, therefore there is no operating data shown in this report. Operating data is included for the 67 motor passenger carriers who filed 1989 annual reports with the Commission.

2. NONREGULATED PUBLICLY OWNED SECTOR

The North Carolina Utilities Commission has no jurisdiction over most of the passenger transit systems serving the intracity traffic and the urban and rural areas. However, these systems are providing transportation to large numbers of intracity passengers as shown by the following ridership figures:

Unregulated Intracity Ridership	
Calendar Year	Passengers
1982	22,553,958*
1983	21,221,389*
1984	21,291,471*
1985	21,179,555*
1986	22,150,923*
1987	21,901,872*
1988	23,141,608*
1989	26,805,589*

Since July 1, 1974, there has been a Public Transportation Division (PTD) within the Department of Transportation. The PTD administers several federal grant programs and a state grant program as well as fostering the development of the public transportation system of North Carolina. For further information on this agency's activities, please contact the N. C. Department of Transportation, P. O. Box 25201, Raleigh, North Carolina 27602.

*Source: Public Transportation Division--North Carolina Department of Public Transportation: Systems included in the data are Asheville, Chapel Hill, Charlotte, Fayetteville, Gastonia, Greenville, High Point, Raleigh, Salisbury, Wilmington, Wilson, and Winston-Salem. The bus systems in Durham and Greensboro are regulated and owned by Duke Power Company. The rider-

ship for these systems is omitted from this data.

BUS DEREGULATION

The Bus Regulatory Reform Act of 1982 enacted by Congress granted intercity bus companies wide-ranging freedoms to adjust their services and rates. Under this act, if any intercity bus company files with the Commission for an increase in its rates, and the Commission approves a level of rates which is less than that requested, the carrier can then appeal the Commission's decision to the ICC. Under the Bus Act, the ICC is compelled to grant the carrier the full relief sought if the intrastate rates are less than similar interstate rates. Since the enactment of the Bus Act, all proceedings in which the Commission denied the rate relief sought in whole or in part, and the request was appealed to the ICC, the ICC granted the full relief sought.

B. INTERCITY MOTOR PASSENGER CARRIERS

Financial and statistical data is presented for the 58 regulated intercity carriers having separate operations during 1989 who filed annual reports with the North Carolina Utilities Commission. The intercity carriers have franchise and operating rights to serve two or more points (from one city to another city) and are further classed and operate as common or contract carriers over interstate or intrastate routes.

The following table shows the breakdown of these classifications as of December 31, 1988 and 1989.

Classification	1988 Number of Carriers	1989 Number of Carriers
Class I	5	4
Class II	8	8
Class III	<u>45</u>	<u>46</u>
Total	58	58

Type Carrier	1988 Number of Carriers	1989 Number of Carriers
Common	57	57
Contract	<u>1</u>	<u>1</u>
Total	58	58

Scope of Operations

Interstate	8	6
Intrastate	<u>50</u>	<u>52</u>
Total	58	58

C. FARE INCREASES AUTHORIZED--INTERCITY

There were no intercity motor passenger carrier fare increases in 1989.

D. STATISTICAL SUMMARY DATA--INTERCITY

In 1989 the five Class I intercity motor carriers accounted for approximately 56% of the North Carolina total intercity gross operating revenues including the Class III carriers. For their North Carolina operations, the 1989 Class I intercity carriers experienced a 16% decrease from their 1988 operations.

Systemwide operations for the Class I carriers in 1989 show an increase of 7.7% in operating revenues compared with 1988. There was an increase of 6.7% in operating expenses in 1988. The operating ratio for the Class I carriers in 1989 was 93.6% compared to 94.6% in 1988.

E. INTRACITY MOTOR PASSENGER CARRIERS--COMMENTS

During 1989, there were two intracity carriers operating under the jurisdiction of the North Carolina Utilities Commission who filed their annual reports. However, Duke Power Company--Durham was granted authorization to abandon its transit operations in Durham on May 21, 1990, Docket No. B-209, Sub 20, with the City of Durham picking up the operation. Intracity carriers are authorized to

operate within one city. These intracity carriers are Duke Power Company--Durham and Duke Power Company--Greensboro. There have been no fare increases authorized in intracity bus carriers since 1981.

F. STATISTICAL SUMMARY DATA--INTRACITY

Figure No. 10-6 shows a summary of selected income items and operational statistics for the calendar years 1988 and 1989 for the intracity motor passenger carriers. There are no Class I or Class III carriers presently in this group. Information is given for the two carriers who filed 1989 annual reports.

FIGURE NO. 10-1
MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1989

	Scope of Operations	
	Interstate	Intercity
-----	-----	-----
Class I Carriers - Interstate & Intercity:		

Carolina American Tours	X	X
Carolina Coach Company	X	X
Greyhound Lines	X	X
Seashore Transportation	X	X
-----	-----	-----
Total Class I Carriers--4	4	4
-----	-----	-----
Class II Carriers:		

America Charters, Ltd.		X
American Coach Lines	X	X
Blue Ridge Lines, Ltd.		X
Kannapolis Transit Company, Inc.		X
Nancy & Dwight's Holiday Tours		X
Piedmont Coach Lines, Inc.	X	X
Southern Coach Company		X
Young's Transportation		X
-----	-----	-----
Total Class II Carriers--8	2	8
-----	-----	-----
Class II Intracity Only Carriers:	Intracity Only	

Duke Power Company-Durham		X
Duke Power Company-Greensboro		X
-----	-----	-----
Total Class II Intracity Carriers--2		2
-----	-----	-----
Class III Carriers:	Interstate	Intercity
-----	-----	-----
Adventure Tours		X
Adventures in Travel		X
Albemarle Charter Service		X
Barefoot Tours and Charter Service		X
Bear Grass Tours, Inc.		X
Brown's Scenic Cruiser, Inc.		X
Carolina Sightseeing Tours		X
Carolina Transit Lines of Charlotte		X
Crystal Coast Tours		X
Deese Coach Lines		X
Dills & Carpenter Transit		X
Eagle Parlor Tours of VA., Inc.		X
East American Coach		X
Emma Bus Lines, Inc.		X
Forte's Charter Bus & Van Service		X
Gallop Bus Lines, Ltd.		X
Go Travels		X
-----	-----	-----

*All carriers have intracity authority pursuant to Commission Rule R2-69.

FIGURE NO. 10-1 CONTINUED
MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1989

	Scope of Operations	
	Interstate	Intercity
----- Class III Carriers (Continued): -----		
Happy Travelers Tours		X
Hill, Jesse, Tours, Inc.		X
Hill's Christian Tours, Inc.		X
Holiday Express, Inc.		X
Houston Transport Company, Inc.		X
Interstate America Coach Lines		X
J & R Charter Service, Inc.		X
Joshlis Charters		X
King's Charters		X
Lacy & Sons, Inc.		X
Lake Gaston Bus Service		X
McBroom Coach, Inc.		X
Mountain Majic Tours		X
New Hope Charters		X
Nooney Bus Lines, Inc.		X
Ollison Coach Lines		X
Piedmont Transit, Inc.		X
Prestige Charters & Tours, Inc.		X
Regional Coach		X
Roanoke-Chowan Travel		X
Scenic Tours, Inc.		X
Southern Tours, Inc.		X
Thompson Travel Services, Inc.		X
Trans-Service, Inc.		X
Transit Enterprise Systems, Inc.		X
Travelease Bus Line, Inc.		X
Travel Professionals, Inc.		X
Triad Lines		X
United Bus Lines		X
Walnut Cove Coach Line, Inc.		X
-----	-----	-----
Total Class III Carriers--47	0	46
-----	-----	-----
Motor Boat Common Carriers: -----		
Austin, Rudy L.		X
Beaufort Belle Tours, Inc.		X
Beaufort Tours		X
Carteret Boat Tours, Inc.		X
Charter Carteret, Inc.		X
Marshall, Conly		X
Morris Marina, Kabin Kamps & Ferry Service		X
Willis, Alger G., Fishing Camps, Inc.		X
-----	-----	-----
Total Motor Boat Carriers--8	0	8
-----	-----	-----
GRAND TOTAL CARRIERS--69		

*All carriers have intracity authority pursuant to Commission Rule R2-69.

FIGURE NO. 10-1A
MOTOR PASSENGER BROKERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1989

Transportation Brokers (All Intercity):

Activity Designers of Raleigh P. O. Box 6135 Raleigh, N. C. 27623	Convenient Tours 6318E 1, Box 336-A Ash, N. C. 28420	Getaway Unlimited tours P. O. Box 40876 Raleigh, N. C. 27629
Albertson, Charles W. Route 2, Box 141 E Beaulaville, N. C. 28518	Cowan Tours, Inc. 205 Dennis Avenue Raleigh, N. C. 27604	Gough Tours P. O. Box 5827 Winston Salem, N. C. 27105
B J & M Tours 127 Poplar Street Roanoke Rapids, N. C. 27870	Creation Tours 7 Timerline Road Canton, N. C. 28716	Great Getaway Tours, Inc. 1826 Oakdale Road Charlotte, N. C. 28216
Beamer, Nancy, Tours 1927 Miller Road Mount Airy, N. C. 27030	Cristal Tours P.O. Box 5113 High Point, N. C. 27262	Green, Conley F., Sr. P.O. Box 1169 Charlotte, N. C. 28216
Brantley Tours, Inc. 1106 Tremont Road Wilson, N. C. 27893	Cross Country Tours of NC, Inc. 895 Peters Creek Parkway Winston-Salem, N. C. 27103	Group & Individual Travel (NC Travel) 802 W. Broad Street Dunn, N. C. 28334
Bullock Tours Route 1 Kinston, N. C. 28501	Davis Tours 118 Grandview Lane Hendersonville, N. C. 28739	Hazel, Kay, Tours 910 Alice Drive Thomasville, N. C. 27360
Care-Free Travels P. O. Box 2623 Greenville, N. C. 27836	Daybreak Sing, Inc. 508 Merriweather Drive King, N. C. 27021	Hepler Tours Route 1, Box 184-C Hamptonville, N. C. 27020
Caro-Lan Tours, Inc. 4 Barksdale Drive Jacksonville, N. C. 28540	E. T.'s Country Lane Tours Route 1 Box 720 Williamston, N. C. 27892	Heritage Tours 409 South Battleground Road Kings Mountain, N. C. 28086
Carolina Tours 30 Cherry Grove Road Asheville, N. C. 28805	Edwards, Patricia T. 1501 Pineview Avenue Wilson, N. C. 27893	Highland Tour & Charter, Inc. P. O. Box 1652 Asheville, N. C. 28805
Carousel of Raleigh 3907 Yadkin Drive Raleigh, N. C.	Executive Guest Tours & Services, Inc. 3815 Hillsborough Street Raleigh, N. C. 27606	Hubbard Tours P. O. Box 6415 Winston Salem, N. C. 27109
Charlotte Visitous, Inc. 6525 Morrison Blvd. Charlotte, N. C. 28222	Express Tours 3745 Tulip Drive Winston Salem, N. C. 27105	International Tourist Group 2120 California Drive Lumberton, N. C. 28358
Circle Tours, Inc. P. O. Box 12318 Durham, N. C. 27708	Five Star Tours P. O. Box 1353 Smithfield, N. C. 27577	Introducing Asheville One Lynwood Road Asheville, N. C. 28804
Country Cottage Tours Clyde Pearce Road Zebulon, N. C. 27597	Four Wynnes, Inc. Tours and Travels Route 1, Box 463A Winterville, N. C. 28590	Jaunts and Journeys, Inc. P. O. Box 15301 Winston Salem, N. C. 27133

FIGURE NO. 10-1A, CONTINUED
MOTOR PASSENGER BROKERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1989

Transportation Brokers Continued:

Johnston Lion's Club Johnston School Road, Route 8 Asheville, N. C. 28805	Piedmont Tours of Burlington, Inc. Route 4, Box 353 Burlington, N. C. 27215	Travel Tours, Inc. 5624 Executive Center Drive Charlotte, N. C. 28212
Longs Travel Agency 112 East Washington Street Rockingham, N. C. 28379	Scurlock's Travel & Tours P. O. Box 424 Pittsboro, N. C. 27312	Trekmaker 2411 Fairway Drive Winston Salem, N. C. 27103
Manning Tours, Inc. P. O. Box 385 Elizabeth City, N. C. 27907	Sheryl's Tours, Inc. 2860 Knobb Hill Avenue Clemmons, N. C. 27012	Western Carolina Tours, Inc. P. O. Box 8544 Asheville, N. C. 28814
Meetings, Inc. 1409 East Blvd. Charlotte, N. C. 28208	Sue's VIP Tours 3808 Ed Drive Raleigh, N. C. 27612	Williams, Roy B. 2813 Anderson Drive Raleigh, N. C. 27608
Moore Tours, Inc. P. O. Box 1169 Charlotte, N. C. 28206	Task, Inc. P. O. Box 97187 Raleigh, N. C. 27615	Woodall, Ruth, Tours Route 2, Box 151 Selma, N. C. 27576
N. C. State Motor Club 2422 North Tryon Street Charlotte, N. C. 28206	Talks, Tours & Things P. O. Box 3211 Chapel Hill, N. C. 27515	
New Bern Guided Tours P.O. Box 5223 New Bern, N. C. 28560	Thacker, Ginger, Tours 714 B. Westchester High Point, N. C. 27260	
North Carolina First Tours 613 Carthage Street Sanford, N. C. 27330	Tours & Functions 5505 Creedmore Road, Suite 207 Raleigh, N. C. 27612	
Northeastern Travel Services P. O. Box 1486 Elizabeth City, N. C. 27909	Travel Master P. O. Box 2928 New Bern, N. C. 28562	
P & B Travels P.O. Box 253 Lexington, N. C. 27292	Travel Time of Salisbury 1529 W. Innes Street Salisbury, N. C. 28144	

Total Brokers -- 64

CLASS I MOTOR PASSENGER CARRIERS--INTERCITY
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1988 and 1989
(North Carolina and Systemwide Data Noted)

ITEMS	Year	Carolina American Tours	Carolina Coach Company	Greyhound Lines, Inc.	Seashore Transportation Company (1)	Total Class I
Operating Revenues (N.C. Portion):	1988	\$4,648,905	\$8,142,229	\$8,826,614	\$783,530	\$22,401,278
	1989	\$2,601,675	\$5,101,417	\$11,076,584	\$0	\$18,779,676
INCOME ITEMS (SYSTEMWIDE):						
Operating Revenues	1988	\$4,648,905	\$17,972,662	\$854,063,989	\$1,003,887	\$877,689,443
	1989	\$4,416,213	\$20,990,422	\$925,908,953	\$5,807	\$951,321,395
Operating Expenses	1988	4,637,452	16,200,922	808,535,453	1,268,498	830,642,325
	1989	4,487,862	17,984,370	867,902,682	195,171	890,570,085
Net Operating Income Before Taxes	1988	\$11,453	\$1,771,740	\$45,528,536	(\$264,611)	\$47,047,118
	1989	(\$71,649)	\$3,006,052	\$58,006,271	(\$189,364)	\$60,751,310
Other Income (Deductions)--Net	1988	(11,224)	120,124	(61,399,650)	229,346	(61,061,404)
	1989	(99,663)	234,819	(54,446,739)	2,240	(54,309,343)
Income Taxes	1988	0	1,036,520	1,593,467	0	2,629,987
	1989	18,182	279,888	752,532	0	1,050,602
Extraordinary Items	1988	0	0	0	0	0
	1989	0	0	0	0	0
Net Income After Taxes	1988	\$229	\$855,344	(\$17,464,581)	(\$35,265)	(\$16,644,273)
	1989	(\$189,494)	\$2,960,983	\$2,807,000	(\$187,124)	\$5,391,365
=====						
Operating Ratio	1988	99.8%	90.1%	94.7%	126.4%	94.6%
	1989	101.6%	85.7%	93.7%	3361.0%	93.6%
STATISTICS (N.C. ONLY):						
Total Bus Miles Operated	1988	1,182,978	3,631,782	6,059,450	346,457	11,220,667
	1989	934,808	3,744,125	6,932,860	N/A	11,611,793
Length of bus route--miles-- one way (actual)	1988	N/A	2,103	2,138	1,323	5,564
	1989	N/A	2,103	2,138	N/A	4,241
Total gallons diesel fuel purchased or used	1988	196,346	349,946	1,105,739	95,316	95,316
	1989	N/A	492,994	1,281,490	N/A	1,774,484

N/A--Not Available

(1) Seashore Transportation Company leased their regular route authority to Carolina Coach Lines June 7, 1988, Docket No. B-15, Sub 196.

FIGURE NO. 10-2 CONTINUED
 CLASS I MOTOR PASSENGER CARRIERS--INTERCITY
 Summary of Selected Income Items and Operational Statistics
 For the Calendar Years 1988 and 1989
 (North Carolina and Systemwide Data Noted)

ITEMS	Year	Carolina American Tours	Carolina Coach Company	Greyhound Lines, Inc.	Seashore Transportation Company (1)	Total Class I
*No. of tickets sold which originated in N.C.	1988	N/A	229,784	109,676	19,301	358,761
	1989	N/A	129,330	135,617	0	264,947
*Revenue for tickets originating in N.C.	1988	N/A	\$6,560,327	\$4,947,498	\$342,576	\$11,850,401
	1989	N/A	\$4,393,352	\$6,470,576	\$0	\$10,863,928
*Average revenue per ticket originating in N.C.	1988	N/A	\$28.55	\$45.11	\$17.75	\$30.47
	1989	N/A	\$33.97	\$47.71	N/Comp	\$41.00
Other revenue originating in N.C. by charter & express	1988	\$4,648,905	\$1,581,902	\$3,879,116	\$603,491	\$10,713,414
	1989	\$4,416,213	\$708,065	\$4,606,008	\$0	\$9,730,286
Average number of N.C. employees (actual)	1988	94	171	617	20	902
	1989	94	200	667	0	961
STATISTICS (SYSTEMWIDE):						
No. revenue passengers carried	1988	70,000	1,098,992	45,974,253	22,368	47,165,613
	1989	70,000	1,200,094	29,183,194	0	30,453,288
Total number of buses owned (actual)	1988	52	N/A	N/A	21	73
	1989	52	N/A	N/A	16	68

* Excludes charter & school passengers
 N/A Not Available
 N/Comp Not Comparable

(1) Seashore Transportation Company leased their regular route authority to Carolina Coach Company June 7, 1988, Docket No. B-15, Sub 196.

FIGURE NO. 10-3

CLASS II MOTOR PASSENGER CARRIERS--INTERCITY
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1988 and 1989
(North Carolina and Systemwide Data Noted)

INCOME ITEMS	Year	America Charters Ltd.	American Coach Lines	Blue Ridge Lines Ltd.	Kannapolis Transit Co., Inc.	Nancy & Dwight's Holiday	Piedmont Coach Lines	Southern Coach Company	Young's Transpor- tation	Total Class II
OPERATING REVENUES (N.C. PORTION):	1988	\$2,434,608	\$150,700	\$840,813	\$539,362	\$905,988	\$1,878,024	\$1,607,765	\$2,077,635	\$10,434,891
	1989	\$2,151,631	\$169,212	\$277,461	\$434,922	\$439,215	\$2,102,340	\$977,811	\$2,510,410	\$9,063,000
INCOME ITEMS (SYSTEMWIDE):										
Operating Revenues	1988	\$2,434,608	\$3,090,211	\$1,204,067	\$930,221	\$2,841,869	\$2,856,491	\$1,607,765	\$2,077,635	\$17,042,861
	1989	\$2,151,631	\$3,407,214	\$1,587,307	\$693,656	\$3,953,073	\$3,091,676	\$1,639,235	\$2,510,410	\$18,834,201
Operating Expenses	1988	\$2,203,290	2,984,909	1,250,006	889,984	2,545,803	2,763,651	1,664,662	2,020,618	16,322,921
	1989	\$1,814,665	3,315,017	1,318,183	768,139	3,522,550	2,963,612	1,679,685	2,260,764	17,642,611
Net Operating Income Before Taxes	1988	\$231,318	\$105,302	(\$45,939)	\$40,237	\$296,066	\$92,840	(\$56,897)	\$57,017	\$719,941
	1989	\$336,966	\$92,197	\$69,124	(\$74,483)	\$430,523	\$128,064	(\$40,450)	\$249,646	\$1,191,581
Other Income (Deductions)--Net	1988	(75,210)	(93,000)	48,133	271	(95,838)	(90,988)	128,937	(63,183)	(240,871)
	1989	(279,681)	(168,669)	(37,376)	(6,742)	(88,441)	(138,590)	93,496	(367,295)	(993,291)
Income Taxes	1988	38,660	0	6,463	2,928	50,277	0	21,805	0	120,131
	1989	4,818	0	6,601	0	54,039	0	(29)	0	65,421
Extraordinary Items	1988	0	0	0	0	0	0	0	0	0
	1989	0	0	0	0	0	0	0	0	0
Net Income After Taxes	1988	\$117,448	\$12,302	(\$4,269)	\$37,580	\$149,951	\$1,852	\$50,235	(\$6,166)	\$358,931
	1989	\$52,467	(\$76,472)	\$25,147	(\$81,225)	\$288,043	(\$10,526)	\$53,075	(\$117,649)	\$132,861
Operating Ratio	1988	90.5%	96.6%	103.8%	95.7%	89.6%	96.7%	103.5%	97.3%	95.1%
	1989	84.3%	97.3%	95.0%	110.7%	89.1%	95.9%	102.5%	90.1%	93.1%
STATISTICS (N.C. ONLY):										
Total Bus Miles Operated	1988	425,098	101,990	75,190	262,144	158,119	877,521	435,960	285,015	2,621,031
	1989	428,944	104,305	221,323	195,735	71,837	932,427	347,272	N/A	2,301,841
Length of bus route--miles-- one way (actual)	1988	N/A	83	59	N/A	N/A	N/A	N/A	N/A	14
	1989	N/A	83	N/A	N/A	N/A	N/A	N/A	N/A	8
Total gallons gasoline purchased or used	1988	0	0	0	0	0	0	18,233	0	18,233
	1989	0	0	0	0	0	0	27,082	0	27,082
Total gallons diesel fuel purchased or used	1988	N/A	19,375	61,719	59,799	28,770	161,175	112,311	N/A	443,141
	1989	N/A	19,185	83,250	49,268	51,791	173,023	113,379	47,092	536,981
Average number of N.C. employees (actual)	1988	32	N/A	15	14	N/A	43	53	19	171
	1989	32	N/A	20	48	N/A	131	55	63	341

N/A--Not Available

FIGURE NO. 10-3 CONTINUED

CLASS II MOTOR PASSENGER CARRIERS--INTERCITY
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1988 and 1989
(North Carolina and Systemwide Data Noted)

STATISTICS (SYSTEMWIDE):		Year	America Charters Ltd.	American Coach Lines	Blue Ridge Lines Ltd.	Kannapolis Transit Co., Inc.	Nancy & Dwight's Holiday	Piedmont Coach Lines	Southern Coach Company	Young's Transpor- tation	Total Class II
No. revenue passengers carried		1988 1989	N/A N/A	N/A N/A	N/A N/A	46,000 45,780	23,016 31,374	N/A N/A	N/A N/A	83,240 25,000	152,256 102,154
Total number of buses owned (actual)		1988 1989	20 23	28 31	16 16	N/A N/A	10 13	50 102	19 20	23 22	166 227

N/A--Not Available
N/R--No Annual Report Filed
N/COMP--Not Comparable

FIGURE NO. 10-4

MOTOR PASSENGER CARRIERS--INTERCITY--CLASS III

Summary of Total Revenues and Expenses
For the Calendar Years 1988 and 1989

INTERCITY CLASS III CARRIER	TOTAL COMPANY OPERATING REVENUES		TOTAL COMPANY OPERATING EXPENSE		TOTAL COMPANY OPERATING RATIO	
	1988	1989	1988	1989	1988	1989
Adventures in Travel	\$113,940	\$162,807	\$126,288	\$103,916	110.8%	63.8%
Barefoot Tours & Charter Service	35,583	27,568	27,096	22,478	76.1%	81.5%
Brown's Scenic Cruiser	56,565	N/R	96,431	N/R	170.5%	N/COMP
Carolina Transit Lines of Charlotte	432,580	752,411	611,121	558,216	141.3%	74.2%
Crystal Coast Tours, Inc.	153,596	232,674	163,143	220,907	106.2%	94.9%
Deese Coach Lines	617,987	N/R	600,777	N/R	N/COMP	97.2%
Dillahunt, John T.	800	N/R	2,611	N/R	326.4%	N/COMP
Dills & Carpenter Transit	83,892	N/R	16,051	N/R	19.1%	N/COMP
Eagle Parlor Tours of Va., Inc.	63906	N/R	49647	N/R	N/COMP	77.7%
East American Coach	478,682	458,343	477,205	460,585	99.7%	100.5%
Emma Bus Lines	226,357	167,059	225,100	167,685	99.4%	100.4%
Forte's Chartered Bus & Van Services	0	N/R	0	N/R	N/C	N/COMP
Gallop Bus Lines, Inc.	1,415,305	1,408,784	1,482,353	1,512,961	104.7%	107.4%
Go Travelers	100,400	126,435	62,231	82,940	62.0%	65.6%
Happy Travelers Tours	93,202	42,616	89,381	42,616	95.9%	100.0%
Hill, Jesse, Tours, Inc.	358,273	329,922	345,855	314,496	96.5%	95.3%
Holiday Express, Inc.	222,951	318,618	235,252	172,651	105.5%	54.2%
Houston Transport Company	243,615	232,750	220,839	226,806	90.7%	97.4%
Interstate America Coach Lines	0	N/R	0	N/R	N/COMP	N/COMP
J & R Charter Service, Inc.	113,972	108,077	112,616	76,033	98.8%	70.4%
Joshlis Charter	86,565	119,033	78,641	101,555	90.8%	85.3%
Lacy & Sons, Inc.	3,565	11,283	7,383	20,401	207.1%	180.8%
Lake Gaston Bus Service	32,308	N/R	44,063	N/R	136.4%	N/COMP
McBroom Coach, Inc.	265,519	239,917	257,022	223,771	96.8%	93.3%
New Hope Charter, Inc.	215,431	232,881	224,713	222,021	104.3%	95.3%
Nooney Bus Lines, Inc.	74,820	273,567	75,819	264,032	101.3%	96.5%
Piedmont Transit, Inc.	223,108	213,245	207,630	222,659	93.1%	104.4%
Prestige Charters & Tours, Inc.	149,525	209,089	211,600	192,994	141.5%	92.3%
Roanoke-Chowan Travel, Inc.	49,636	88,353	93,032	137,093	187.4%	155.2%
Scenic Tours, Inc.	184,518	225,347	178,388	259,330	96.7%	115.1%
Southern Tours, Inc.	432,360	440,228	432,540	439,223	100.0%	99.8%
Thompson Travel Services, Inc.	96,118	N/R	122,148	N/R	127.1%	N/COMP
Trans Service, Inc.	173,592	184,685	233,892	239,343	134.7%	129.6%
Transit Enterprise Systems, Inc.	N/A	N/R	N/A	N/R	N/COMP	N/COMP
Travel Professionals, Inc.	144,466	229,087	194,756	218,443	134.8%	0.0%
Triad Lines, Inc.	248,272	N/R	274,313	N/R	110.5%	N/COMP
Walnut Cove Coach Line, Inc.	0	0	0	0	N/C	N/C
TOTAL	\$7,191,409	\$6,834,779	\$7,579,937	\$6,503,155	105.4%	95.1%

N/A = Report was filed, but information was not available.

N/R = No Annual Report Filed

N/COMP = Not Comparable

FIGURE NO. 10-5

CLASS III MOTOR PASSENGER CARRIERS--INTERCITY--AUTHORITY GRANTED IN 1989
 Summary of Total Company Revenues and Expenses

COMPANY	OPERATING REVENUES	OPERATING EXPENSES	OPERATING RATIO
-----	-----	-----	-----
Adventure Tours	\$114,409	\$128,500	112.3%
Albemarle Charter Service	3,360	11,669	347.3%
Bear Grass Tours, Inc.	N/R	N/R	N/COMP
Carolina Sightseeing Tours	792	19,321	2439.5%
Hill's Christian Tours, Inc.	0	0	N/Comp
Ollison Coach Lines	52,084	57,717	110.8%
Regional Coach	N/R	N/R	N/COMP
Travelease Bus Line, Inc.	249,634	211,094	84.6%
United Bus Lines	130,897	105,001	80.2%
-----	-----	-----	-----
Total	\$551,176	\$533,302	96.8%
=====	=====	=====	=====

N/R = No Annual Report Filed

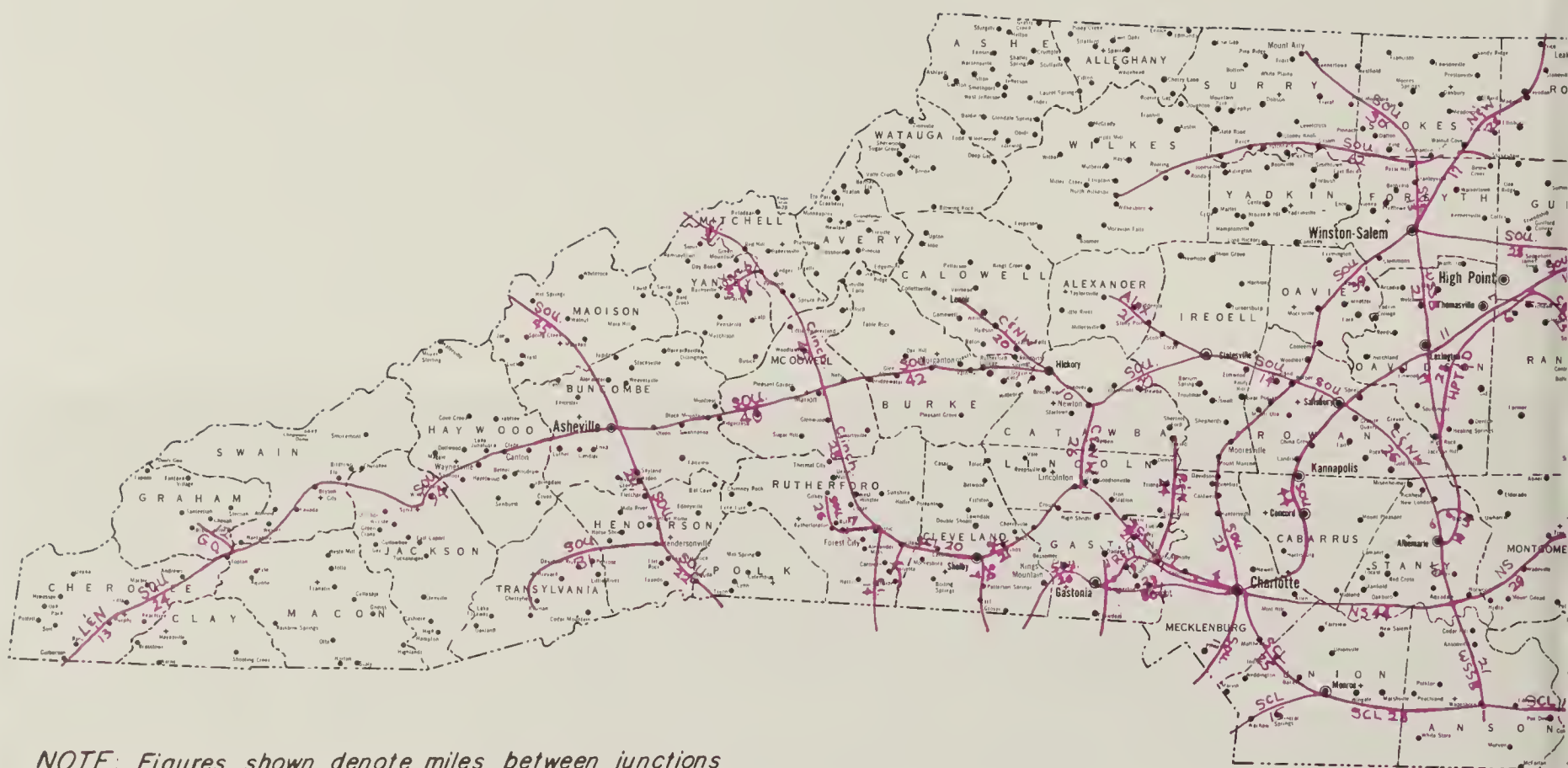
N/COMP - Not Comparable

FIGURE NO. 10-6
MOTOR PASSENGER CARRIERS--INTRACITY
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1988 and 1989

INCOME ITEMS (N.C. ONLY):	Year	Duke Power Durham	Duke Power Greensboro	Total Intracity Carriers
Operating Revenues	1988	\$835,644	\$674,699	\$1,510,343
	1989	\$867,352	\$670,313	\$1,537,665
Operating Expenses	1988	2,410,775	1,889,007	4,299,782
	1989	2,280,528	1,911,456	4,191,984
Net Operating Income Before Taxes	1988	(\$1,575,131)	(\$1,214,308)	(\$2,789,439)
	1989	(\$1,413,176)	(\$1,241,143)	(\$2,654,319)
Other Income or (Deductions)--Net	1988	0	0	0
	1989	0	0	0
Income Taxes--Net	1988	0	0	0
	1989	0	0	0
Net Income After Taxes	1988	(\$1,575,131)	(\$1,214,308)	(\$2,789,439)
	1989	(\$1,413,176)	(\$1,241,143)	(\$2,654,319)
Operating Ratio	1988	288.5%	280.0%	284.7%
	1989	262.9%	285.2%	272.6%
STATISTICS SYSTEMWIDE (All North Carolina)				
Length of bus route-miles-one way	1988	52	69	121
	1989	52	69	121
Total no. of buses owned	1988	32	28	60
	1989	32	28	60
Average no. of buses operated daily	1988	20	17	37
	1989	20	17	37
Total bus miles operated-yearly	1988	870,155	685,618	1,555,773
	1989	885,981	676,930	1,562,911
Total revenue passengers hauled during year	1988	1,932,652	1,485,093	3,417,745
	1989	1,922,923	1,477,385	3,400,308
Total school passengers hauled (Included in total passengers hauled)	1988	116,311	7,833	124,144
	1989	112,586	8,613	121,199
Average number of bus drivers	1988	35	28	63
	1989	34	29	63
Average number of full-time N.C. employees	1988	69	69	138
	1989	68	67	135
Total N.C. salaries and wages paid	1988	\$1,327,605	\$1,086,714	\$2,414,319
	1989	\$1,314,125	\$1,078,819	\$2,392,944



XI. The Transportation Industry — Railroads



NOTE: Figures shown denote miles between junctions

- Railroads
- County Seats
- Other Towns or Junctions

FIGURE 11-1
MAP OF
NORTH CAROLINA RAILROADS

PREPARED BY
NORTH CAROLINA UTILITIES COMMISSION
RALEIGH, N.C.

Represents the number of railroads as of December 31, 1989

FIGURE NO. 11-1A
RAILROADS AUTHORIZED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1989

Aberdeen Carolina & Western Railway
P. O. Box 646
Aberdeen, N. C. 28315

Aberdeen & Rockfish Railroad
P. O. Box 917
Aberdeen, N. C. 28315

Alexander Railroad
P. O. Box 277
Taylorsville, N. C. 28681

Atlantic & East Carolina Railway
5 Main Plaza East
P. O. Box 3609
Norfolk, VA 23514-3609

Atlantic & Western Railway
317 Chatham St.
P. O. Box 1208
Sanford, N. C. 27330

Beaufort & Morehead Railroad
P. O. Box 300
Beaufort, N. C. 28516

CSX Transportation
500 Water St.
Jacksonville, FL 32203

Camp Lejeune Railroad
5 Main Plaza East
P. O. Box 3609
Norfolk, VA 23514-3609

Cape Fear Railways
P. O. Box 70090
Fort Bragg, N. C. 28307

Carolina Coastal Railway
1 Park West Circle, No. 2001
Midlothian, VA 23113

Carolina and Northwestern Railroad
1 Park West Circle, No. 2001
Midlothian, VA 23113

Great Smoky Mountains Railway
One Maple St.
Sylva, N. C. 28779-3099

High Point, Thomasville & Denton
Railroad
500 Water St.
Jacksonville, FL 32203

Laurinburg & Southern Railroad
P. O. Box 1929
Laurinburg, N. C. 28353

Mid Atlantic Railroad
P. O. Box 368
Chadburn, N. C. 28431

Nash County Railroad
P. O. Box 70090
Fort Bragg, N. C. 28307

Norfolk Southern Combined Railroad
5 Main Plaza East
P. O. Box 3609
Norfolk, VA 23514-3609

North Carolina & Virginia Railroad
214 N. Railroad St.
Ahoskie, N. C. 27910

Red Springs & Northern Railroad
P. O. Box 1929
Laurinburg, N. C. 28353

State University Railroad
5 Main Plaza East
P. O. Box 3609
Norfolk, VA 23514-3609

Warrenton Railroad
P. O. Box 518
Warrenton, N. C. 27589

Winston-Salem Southbound Railway
500 Water Street
Jacksonville, FL 32202

A. RAILROAD COMPANIES OPERATING IN NORTH CAROLINA

Twenty-two railroad companies were certified, with 20 of these in operation in North Carolina at the end of 1989. These companies operated 3,512 miles of trackage in North Carolina as of December 31, 1989. Figure No. 11-1 is a map of the North Carolina Railroad System and Figure No. 11-2 shows a list of railroads franchised to operate. The State's rail system is well developed with service available to many towns and to all regions of the State. Almost all of the State's one hundred counties receive rail service.

In North Carolina railroads are viewed as a very important element in the State's total freight transportation system, delivering many of the materials needed to run North Carolina's economy. The State's agricultural and wood product industries have relied on convenient and economical rail service. The coal-fired utility plants, which generate electricity for North Carolina industries, depend on rail for coal delivery.

On January 1, 1980, the Interstate Commerce Commission (ICC) and the North Carolina Utilities Commission (NCUC) reclassified the railroads as follows: (M-100, Sub 68, dated 2-5-82)

Class I	\$50 million or more annual revenues
Class II	\$10 million to \$50 million annual revenues
Class III	Less than \$10 million annual revenues

At December 31, 1989, there were two Class I railroads, and eighteen Class III railroads in operation in North Carolina.

Although there are twenty separately identified rail companies serving North Carolina, most of the State's rail transport needs are provided by two large, well-established companies. CSX Transportation, formerly

Seaboard System Railroad Company, and Norfolk Southern Combined Railroad Subsidiaries, together with their affiliates, control over 83% of the track-miles located in the State. Changes which occurred in 1989 include Dunn-Erwin merging with Aberdeen and Rockfish and Fairmont and Western Railroad ceasing to operate.

B. PASSENGER SERVICE THROUGH NORTH CAROLINA

In North Carolina, railroads not only contribute to commodity movements, they also provide for intercity passenger movements. During 1989, four trains per day provided regularly scheduled passenger service. Each was owned and operated by the National Railroad Passenger Corporation. American Trains and Track (AMTRAK), was established in 1970 to relieve railroads of the responsibility of providing rail passenger service. When AMTRAK was formed only two railroads provided passenger service in North Carolina: Seaboard Coast Line Railroad Company (SCL), now CSX Transportation, and Southern Railway Company (SOU), now Norfolk Southern Combined Railroad Subsidiaries.

AMTRAK operates over the transportation tracks of CSX and Norfolk & Southern Combined Railroad Subsidiaries. AMTRAK now operates passenger trains over the rails of CSX: Nos. 81 and 82, the Silver Star, between New York and Miami, Florida, with stops at Raleigh, Hamlet, Southern Pines, and Rocky Mount, North Carolina; Nos. 87 and 88, the Silver Meteor between Boston, Massachusetts, and Miami, Florida, serving Rocky Mount and Fayetteville, North Carolina as conditional stops; and Nos. 89 and 90, the Palmetto, between Virginia and Florence, South Carolina, with stops at Rocky Mount, Wilson, Selma, and Fayetteville, North Carolina.

On April 6, 1978, Southern Railway Company filed an application with the ICC to discontinue operation of its last passenger train operating in North Carolina. On or about February 1979,

AMTRAK took over and began operation of the Crescent, Nos. 1 and 2, operating between Washington, D.C., and Atlanta, Georgia, which was the last independent rail service in North Carolina provided on regular schedules. The federal budget cuts made in 1981 forced major revisions in AMTRAK's overall service but did not affect service to North Carolina. With the addition of new or rebuilt equipment on all North Carolina routes, service has become more attractive and reliable; however, increased fares may be necessary to absorb the cost of these improvements.

C. RAIL SAFETY ACTIVITY BY COMMISSION

During 1989 as in previous years, the Utilities Commission was very active in the investigation and surveillance of the condition of rail trackage and other rail equipment and facilities in an effort to minimize the frequency and severity of rail accidents caused by inadequate maintenance and/or malfunctioning equipment.

During the period 1973-1989, the Commission enlarged the scope of its rail safety program by the addition of three Rail Safety Engineers whose sphere of responsibility includes the inspection of all rail trackage and rail equipment in North Carolina.

The duties of these three engineers encompassed on-site inspection of track conditions and equipment and investigations of train accidents. A written report is filed concerning each inspection, and any defect found is required to be corrected. In addition to on-site inspections, these engineers also conduct inspections of company records to ensure compliance with the rail safety regulations.

D. MOBILE AGENCY CONCEPT AND STATION CLOSINGS IN NORTH CAROLINA

Mobile Agency Concept

A major innovation in rail freight transportation has been the implementation, upon Commission approval after

investigation and possible hearing, of a mobile agency concept in North Carolina. This concept has replaced the fixed agent (serving one town on a five-day 40-hour week or less basis) with a mobile agent operating a special radio-equipped van, serving several small towns by highway, in a given area. On a variable route six days per week, the agent calls on railroad customers in their respective places of business, rather than the customer having to go to the railroad station as in the past.

The area served by the mobile agent is also served by a special telephone system connected to a central, or base agency station manned 13 hours per day, six days per week. This station is connected by a Telex system to a car information computer center. Any customer in the area, by dialing a special number, can talk directly to the personnel in the base agency toll-free and conduct such business with the railroad as is necessary. In addition, the base agent, by using the Telex system, can relay almost immediately any car information a customer requests. The base agent, the mobile agent, and the train crews in the vicinity are in constant communication with each other by radio so that customers can be served efficiently.

Station Closings and Changes

The railroads, as in 1989, continued their activity during 1990 in consolidating their freight handling operations by requesting permission from the Utilities Commission to discontinue freight handling facilities at several locations. The requests by the companies to close or discontinue service at most of the locations are based on economic factors, with the decreasing volume of freight handled at the particular location being the main reason given.

In 1990 there were 106 station closings and changes. Figure No. 11-3 lists the changes, companies, locations, and facilities affected by the Commission action after hearings with

the general public located in the respective areas.

Short Line Revitalization

Since the Federal deregulation under the Staggers Act in 1981, a significant portion of railroad trackage has been saved through the formation and revitalization of new short line railroad companies. The Rail Corridor Preservation Act, passed by the General Assembly in 1988, gave the Department of Transportation the power to purchase railroads and preserve rail corridors. There was also funding allocated for rail corridor preservation.

E. RAIL CROSSINGS

There were 5,672 rail crossings in North Carolina in 1989, up from 5,387 in 1988. During 1989 there were 20 deaths and 80 injuries resulting from accidents involving highway rail crossings. In 1988 there were 20 deaths and 73 injuries resulting from accidents involving highway rail crossings. The Utilities Commission has very limited jurisdiction in the elimination of grade crossings and the erection of signaling devices at them. The Highway Commission has jurisdiction over State highway system roads and links therein, including the proration of costs of relocation and signaling devices, with a statutory provision that 90% of such costs are to be borne by the Highway Commission.

F. STATISTICAL SUMMARY DATA

Operating revenues of the Class I railroad companies increased 2.4% for their North Carolina operations and decreased .2% of their total company operations in 1989 over 1988. Operating expenses decreased 3.9% for their North Carolina operations and decreased 6.9% for total company operations. The North Carolina operating ratio was 92.2% for the Class I railroad companies in 1989. The combined North Carolina operating ratio for all classes of railroad

companies in North Carolina was 91.3% in 1989, compared to 97.4% in 1988. See Figure No. 11-4.

Railway freight activity in North Carolina, as reflected by the tons of revenue freight originating in North Carolina, increased 5.6% in 1989 over 1988. Figure No. 11-5 shows in detail the types of commodities carried by rail. Nonmetallic minerals, lumber, wood products, pulp paper, and chemicals were the leading commodities carried by rail in 1989. These commodities were wellsuited for the rail mode because they are characteristically bulky, high-volume, or low-value commodity types.

North Carolina's railroads constitute a well-established and significant industry. They not only support economic prosperity by contributing to state and local taxes, but they also employ many state residents. The number of employees residing in North Carolina and working for the railroads was 4,447 at year-end 1989. The total compensation for railroad employees was over \$138 million with the average salary per worker at \$31,002. See Figure No. 11-6, 11-7, and 11-8 for additional financial and statistical data on the operation of all railroads.

FIGURE NO. 11-2
RAILROADS AUTHORIZED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1989

Company	Main Business Office	Abbreviation	Class	Mileage Operated			
				1988	1989	System	1989 % in N.C.
Aberdeen Carolina & Western Railway (1)	Aberdeen, N.C.	ACWR	III	35	90	35	100.0
Aberdeen & Rockfish Railway Co. (2)	Aberdeen, N.C.	A&R	III	47	53	47	77.9
Alexander Railroad Co.	Taylorsville, N.C.	ARC	III	19	19	19	100.0
Atlantic & East Carolina Railway Co.	Norfolk, Va.	A&EC	III	94	94	94	100.0
Atlantic & Western Corp.	Sanford, N.C.	ATW	III	3	3	3	100.0
Beaufort & Morehead Railroad Co.	Beaufort, N.C.	B&MN	III	3	3	3	100.0
CSX (3)	Jacksonville, Fla.	CSX	I	1,178	1,178	20,376	6.0
Camp Lejeune Railroad Co.	Norfolk, Va.	CLRR	III	40	40	40	100.0
Cape Fear Railways, Inc.	Fort Bragg, N.C.	CFR	III	10	10	10	100.0
Carolina Coastal Railway	Midlothian, VA	CLWA	III	N/APPL	N/APPL	N/APPL	100.0
Carolina & Northwestern Railway Co. (4)	Norfolk, Va.	CNW	III	N/APPL	N/APPL	N/APPL	N/COMP
Dunn-Erwin Railway Corporation (2)	Aberdeen, N.C.	DER	III	6	N/A	6	N/COMP
Great Smoky Mountain Railway	Sylva, N.C.	GSMR	III	67	67	67	100.0
High Point, Thomasville, & Denton Railroad Co.	Jacksonville, Fla.	HPT	III	34	34	34	100.0
Laurinburg & Southern Railroad Co.	Laurinburg, N.C.	LSR	III	28	28	28	100.0
Mid Atlantic Railroad Company	Chadburn, N.C.	MARC	III	45	38	90	49.4
Nash County Railroad Corp.	Laurinburg, N.C.	NCYR	III	20	12	20	100.0
Norfolk Southern Combined Railroad	Norfolk, Va.	NS Rail	I	1,664	1,651	16,862	10.3
North Carolina & Virginia Railroad	Ahoskie, N.C.	NCVA	III	N/R	65	52	52.0
Red Springs & Northern Railroad Co.	Laurinburg, N.C.	RSNR	III	10	10	10	100.0
State University Railroad Co.	Norfolk, Va.	S.T.U.	III	10	10	10	100.0
Warrenton Railroad Co. (5)	Warrenton, N.C.	W.R.R.	III	N/R	N/R	N/R	N/COMP
Winston-Salem Southbound Railway Co.	Jacksonville, Fla.	WSS	III	90	90	90	100.0
Total 1989 Companies--22				3,403	3,512	37,896	9.7

N/APPL--Not Applicable
N/R--No Report Filed
N/COMP--Not Comparable

- (1) Aberdeen & Briarpatch was purchased by Aberdeen Carolina & Western in June 1987.
- (2) Dunn-Erwin Railway Corporation merged with Aberdeen & Rockfish Railroad in 1989.
- (3) CSX Transportation was formerly Seaboard System Railroad, Inc. The name was changed on July 1, 1986.
- (4) Carolina & Northwestern Railroad merged with Norfolk Southern Combine Subsidiaries in 1988.
- (5) Warrenton Railroad Company is authorized to operate but has been inactive since 1984.

FIGURE NO. 11-3

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES

1990

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
CSX TRANSPORTATION				
R-71, Sub 183	12-27-89	2-2-90	Marston	Retire Team Track, Amend Open and Prepay Station List
R-71, Sub 184	3-14-90	4-27-90	Benson	Retire Team Track at Benson and Amend Open & Prepay Station List to Show Benson as a Private Siding Station
R-71, Sub 185	7-10-90	8-27-90	Robersonville	Retire Team Track No. 2 at Robersonville, and Amend Open & Prepay Station List to Show Robersonville as Private Siding Station
SOUTHERN RAILWAY COMPANY				
R-29, Sub 657	4-3-87	1-10-90	Asheville	Retire & Remove Track NO. 137-2, Formerly Serving Sayles Biltmore Bleacheries at Asheville
R-29, Sub 739	8-15-88	2-2-90	High Point	Retire & Remove Track No. M-1-2 at Mile Post M-1, Formerly Serving Allen Veneer, Craven-Johnston-Pollock, Inc., and Benchmark Lighting
R-29, Sub 789	4-12-90	6-6-90	Greensboro	Retire & Remove Track No. 4 at Mile Post H 1.6, Formerly Serving T. F. Farmer at Greensboro
R-29, Sub 803	8-18-89	1-23-90	Stem/Burkart/Henderson Oxford/Durham	Discontinue Agency Station at Oxford, Add Oxford and Non-Agency Stations of Stem, Burkart & Henderson to Agency Station at Durham
R-29, Sub 804	8-15-89	3-15-90	Woodleaf	Retire & Remove Track No. 36-2, Formerly Serving Martin Marietta Aggregates
R-29, Sub 805	7-5-89	11-28-90	Frontis	Retire & Remove Track No. L-6.6, Formerly Serving Floyd S. Burge Construction Company at Frontis
R-29, Sub 809	7-26-89	5-4-90	Bridgeton	Retire & Remove Track at Mile Post BB-2.7, Formerly Serving Dickerson Siding at Bridgeton
R-29, Sub 810	8-22-89	1-23-90	Greensboro	Retire & Remove Track No. 5-3 at Mile Post K-4.9, Formerly Serving Gulf Oil Company at Greensboro
R-29, Sub 811	11-16-89	11-14-90	Plymouth/Chocowinity	Close Agency Station at Plymouth, add Non-Agency Stations at Mackeys, Kemco, Lucian Park, and Mizzelle to Agency at Chocowinity
R-29, Sub 813	9-1-89	3-5-90	Frontis	Retire & Remove Track No. L-6-3 at Mile Post L-5.3, Formerly Serving Shields, Inc.
R-29, Sub 815	7-31-89	6-4-90	New Bern	Retire & Remove Track No. 60.8 at Mile Post EC-60.0, Formerly Serving Scott Lumber at New Bern
R-29, Sub 817	10-5-89	9-17-90	Farmville	Remove Track at Mile Post NS-161.9, Formerly Serving Wickes Corporation
R-29, Sub 820	8-28-89	5-14-90	Wilson	Retire & Remove Track at Mile Post 181.2, Formerly Serving Tobacco Processing, Inc. at Wilson
R-29, Sub 822	1-30-90	4-27-90	High Point	Retire & Remove Track No. 298-2 at Mile Post 297.1, Formerly Serving Sears at High Point
R-29, Sub 825	8-28-89	2-1-90	Hazelwood	Retire & Remove Track, Formerly Serving Benfield Industries
R-29, Sub 826	9-1-89	2-2-90	Friendship	Retire & Remove Track at Mile Post K-6, Formerly Serving Starr Davis Company, Inc.
R-29, Sub 827	9-18-89	1-23-90	Winston-Salem	Retire & Remove Track at Mile Post K-27, Formerly Serving Bassick-Sack, Now Owned by Ilco Unican at Winston-Salem

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES

1990

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
SOUTHERN RAILWAY COMPANY				
R-29, Sub 828	9-18-89	3-5-90	Durham	Retire & Remove Tracks, Formerly Serving American Tobacco Spur in Durham
R-29, Sub 829	9-19-89	6-27-90	Sims	Retire & Remove 836 Feet of Team Track at Mile Post NS-192.7 at Sims
R-29, Sub 831	10-10-89	3-1-90	Varina/Duncan/Corinth	Discontinue Mobile Route NS-6 Based at Varina, Add to Prepay Stations of Duncan, Corinth, Brickhave, Colon, Lee Brick, Chatham Siding and Cumnock
R-29, Sub 832	10-26-89	1-23-90	Greensboro	Retire & Remove Track No. 284-33 at Mile Post H 0.5, Formerly Serving Old South Atlantic, Barrjo Chemical and Walter Rucker Moving & Storage at Greensboro
R-29, Sub 835	12-18-89	2-2-90	Salisbury	Retire & Remove Tracks at Mile Post 334.7, Formerly Serving Goodman Lumber Company at Salisbury
R-29, Sub 836	12-20-89	3-23-90	Bessemer City	Retire & Remove Track at Mile Post 403.6, Formerly Serving J. P. Stevens Company at Bessemer City
R-29, Sub 837	11-29-89	5-14-90	Clyde	Retire & Remove Track No. 22-1 at Mile Post T-21, Formerly Serving Petrolane Gas Service at Clyde
R-29, Sub 838	11-29-89	1-23-90	Greensboro	Retire & Remove Track at Mile Post K-5, Formerly Serving Shell Oil Company at Greensboro
R-29, Sub 839	12-20-89	9-6-90	Hominy	Retire & Remove Track No. 8-3, Formerly Serving Western North Carolina Pallett Company at Hominy
R-29, Sub 840	2-14-90	3-23-90	Brown Summit	Retire & Remove Company Owned Track No. 273-1 at Mile Post 272.3 at Brown Summit
R-29, Sub 843	2-14-90	5-4-90	Wilson	Retire & Remove Track at Mile Post 183, Formerly Serving Standard Commercial Tobacco Company at Wilson
R-29, Sub 844	2-20-90	3-23-90	Reidsville	Retire & Remove Track No. 261-1 at Mile Post 260, Formerly Serving Dyer Ice & Coal
R-29, Sub 845	2-28-90	9-6-90	Goldsboro	Retire & Remove Company Owned Track Nos. 1-4 and 1-5 at Mile Post EC 1 at Goldsboro
R-29, Sub 846	2-20-90	3-23-90	High Point	Retire & Remove Company Owned Track No. 1-1 at Mile Post MO.1 at High Point
R-29, Sub 848	3-19-90	3-26-90	Durham	Remove Tracks No. 55-38E, Access Track No. 55-34, Formerly Serving Central Carolina Builders Corporation
R-29, Sub 849	3-21-90	3-26-90	Pomana	Remove Track at Mile Post 286.8, Formerly Serving Wyson & Miles Foundrey
R-29, Sub 851	4-6-90	11-29-90	Coburn	Retire & Remove Track at Mile Post T-12, Formerly Serving M.P.A. Corporation at Coburn
R-29, Sub 852	4-6-90	9-13-90	Canton	Retire & Remove Track No. 17-18, Formerly Serving Canton Laundry & Ice Company at Canton
R-29, Sub 853	4-12-90	9-6-90	Washington	Retire & Remove Track at Mile Post NB 13.4, Formerly Serving D. S. Swain Gas Company, Inc., at Washington
R-29, Sub 854	5-2-90	10-3-90	Belmont	Remove Track Nos. 388-5 and 388-7 at Mile Post 388
R-29, Sub 855	4-20-90	9-14-90	Goldsboro	Retire & Remove Company Owned Track No. 1-22 at Mile Post EC 0.4 at Goldsboro
R-29, Sub 858	5-2-90	7-13-90	Raleigh	Retire & Remove Track at Mile Post NS 230.6, Formerly Serving Raleigh Bonded Warehouse at Raleigh

FIGURE NO. 11-3 CONTINUED

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES

1990

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
SOUTHERN RAILWAY COMPANY				
R-29, Sub 859	5-10-90	7-27-90	Raleigh	Retire & Remove Track at Mile Post NS 229.6, Formerly Serving York Construction at Raleigh
R-29, Sub 860	5-10-90	7-13-90	Winston-Salem	Retire & Remove Track at Mile Post K-25, Formerly Serving Goodwill Industries at Winston-Salem
R-29, Sub 861	5-14-90	6-5-90	Frontis	Retire & Remove Track Formerly Serving Dillard Paper Company at Frontis
R-29, Sub 862	5-10-90	6-28-90	Greensboro	Retire & Remove Track NO. 287-61 at Mile Post 286.8, Formerly Serving L. A. Benson at Greensboro
R-29, Sub 863	5-2-90	9-13-90	Kinston	Retire & Remove Company Owned Track No. 20-1 at Mile Post EC 19.5 at Kinston
R-29, Sub 864	5-2-90	9-13-90	Kinston	Retire & Remove Company Owned Track No. 26-3 at Mile Post EC 26.2 at Kinston
R-29, Sub 865	5-2-90	9-13-90	Dover	Retire & Remove Company Owned Track No. 35-1 at Mile Post EC 34.9 at Dover
R-29, Sub 866	5-2-90	9-13-90	New Bern	Retire & Remove Company Owned Track No. 48-1 at Mile Post EC 48.4 at New Bern
R-29, Sub 867	5-2-90	6-5-90	New Bern	Retire & Remove Track No. 62-2 at Mile Post EC 61.4, Formerly Serving Bryan Beer at New Bern
R-29, Sub 868	5-2-90	9-13-90	New Bern	Retire & Remove Company Owned Track No. 68-1 at Mile Post EC 68.5 at New Bern
R-29, Sub 869	5-10-90	9-6-90	New Bern	Retire & Remove Track No. 56-6 at Mile Post EC 55.8, Formerly Serving Pargas, Inc., at New Bern
R-29, Sub 870	5-2-90	9-13-90	LaGrange	Retire & Remove Company Owned Track No. 10-1 at Mile Post EC 9.7 at LaGrange
R-29, Sub 871	6-8-90	7-27-90	Morehead City	Retire & Remove Company Owned Track No. 92-4 at Mile Post EC 91.4 at Morehead City
R-29, Sub 872	5-14-90	7-27-90	Eden	Retire & Remove Company Owned Track No. 20-1 at Mile Post 19.7 DW at Eden
R-29, Sub 873	5-17-90	7-13-90	Raleigh	Retire & Remove Track Formerly Serving Harris Wholesale at Raleigh
R-29, Sub 874	5-10-90	7-13-90	Haw River	Retire & Remove Track No. 27-3 at Mile Post H-26.0 Formerly Serving Cone Mills at Haw River
R-29, Sub 876	5-10-90	9-6-90	High Point	Retire & Remove Track 205.2 ft. Southwest of Mile Post 300, Formerly Serving Melrose Hosiery Mills at High Point
R-29, Sub 877	5-14-90	7-27-90	Raleigh	Retire & Remove Track at Mile Post NS 226.2, Formerly Serving Pike Electric at Raleigh
R-29, Sub 879	5-24-90	7-13-90	Winston-Salem	Retire & Remove Track Nos. 1-1, 26-40, and 26-41, Formerly Serving Skinner Warehousing, Inc., at Winston-Salem
R-29, Sub 880	6-8-90	9-13-90	Granite Quarry	Retire & Remove Track at Mile Post N-6.0, Formerly Serving Suburban Propane at Granite Quarry
R-29, Sub 881	6-14-90	7-13-90	Duncan	Retire & Remove Company Owned Track Nos. 1, 2, and 3 at Mile Post NS 256.3 at Duncan

FIGURE NO. 11-3 CONTINUED

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES

1990

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
SOUTHERN RAILWAY COMPANY				
R-29, Sub 882	6-8-90	9-6-90	Goldsboro	Retire & Remove Company Owned Track No. 2-4 at Mile Post EC 1.4 at Goldsboro
R-29, Sub 883	6-8-90	7-13-90	Greensboro	Retire & Remove Old Army Depot Track Nos. H2-14, H2-7, H2-16, and H2-11 at Mile Post H1.6 at Greensboro
R-29, Sub 886	6-14-90	7-27-90	Raleigh	Retire & Remove Company Owned Track at Mile Post 233.2 at Raleigh
R-29, Sub 887	6-22-90	7-13-90	Lillington	Retire & Remove Track at Mile Post V-13.9, Formerly Serving Becker County Sand and Gravel Company at Lillington
R-29, Sub 888	6-14-90	9-13-90	Thomasville	Retire & Remove Track No. 3-5, Formerly Serving Baptist Children's Home at Thomasville
R-29, Sub 891	7-11-90	12-13-90	Valdese	Remove Track at Mile Post S-71.2, Formerly Serving Valdese Manufacturing Company at Valdese
R-29, Sub 892	7-12-90	9-6-90	Eden	Retire & Remove Track at Mile Post 21.0L, Formerly Serving Nova Yarn at Eden
R-29, Sub 893	7-12-90	9-14-90	Draper	Retire & Remove House Track at Mile Post 22.3L
R-29, Sub 894	7-12-90	9-13-90	LaGrange	Retire & Remove Company Owned Track No. 14-2 at Mile Post EC-13.7 at LaGrange
R-29, Sub 895	7-12-90	9-13-90	Statesville	Retire & Remove Track at Mile Post S25.9, Formerly Serving Thonet Industries at Statesville
R-29, Sub 896	7-12-90	11-29-90	Eden	Remove Track No. 9 and 693 Ft. of Track No. 8
R-29, Sub 897	7-12-90	9-13-90	Thomasville	Retire & Remove Track No. 307.4, Formerly Serving Thomasville Furniture Company at Thomasville
R-29, Sub 898	7-12-90	10-3-90	Newton	Retire & Remove Track at Mile Post S46.5, Formerly Serving Hamco, Inc., at Newton
R-29, Sub 899	7-12-90	9-13-90	New Bern	Retire & Remove Company Owned Track at Mile Post EC-51 at New Bern
R-29, Sub 901	7-19-90	9-6-90	Bailey	Retire & Remove Track at Mile Post NS 196.2, Formerly Serving Bailey Feed Mill and Glover Milling at Bailey
R-29, Sub 902	8-10-89	10-3-90	Conover	Retire & Remove Track at Mile Post S-51.2, Formerly Serving S & W Chemical, Inc., at Conover
R-29, Sub 904	8-10-90	10-3-90	Hickory	Retire & Remove Track at Mile Post S-56.3, Formerly Serving Hickory Chair Company, at Hickory
R-29, Sub 905	8-10-90	10-3-90	Hickory	Remove Track No. S-59.5 at Mile Post S-58.9, Formerly Serving Hickory Home & Garden at Hickory
R-29, Sub 906	8-14-90	11-29-90	Morganton	Retire & Remove Track at Mile Post S-80.3, Formerly Serving Hendredon Furniture Industries at Morganton
R-29, Sub 907	8-9-90	11-14-90	Greensboro	Retire & Remove Track No. 67-3 at Mile Post CF-66.7, Formerly Serving Rollins Supply Company at Greensboro
R-29, Sub 908	8-10-90	10-3-90	Durham	Retire & Remove Track at Mile Post L-112, Plus 5,167 Ft., Formerly Serving Adams Concrete
R-29, Sub 909	8-20-90	12-13-90	Hickory	Retire & Remove Track No. S59-7 at Mile Post S-58.0, Formerly Serving Henly Paper Company
R-29, Sub 910	8-10-90	10-3-90	Statesville	Retire & Remove Track at Mile Post S23.2, Formerly Serving J. C. Penney, Company

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES

1990

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
SOUTHERN RAILWAY COMPANY				
R-29, Sub 911	8-10-90	10-3-90	Hickory	Remove Track at Mile Post S-55.4, Formerly Serving Seicor at Hickory
R-29, Sub 912	9-13-90	10-3-90	Durham	Retire & Remove Track No. 86.9 at Mile Post D-86, Formerly Serving Montgomery-Ward at Durham
R-29, Sub 914	9-13-90	11-14-90	Greensboro	Retire & Remove Track No. 2-20 at Mile Post H 1.6, Formerly Serving M. G. Newell Company at Greensboro
R-29, Sub 916	9-13-90	9-24-90	Wilson	Retire & Remove Track at Mile Post NS-182.9, Formerly Serving Best Brands at Wilson
R-29, Sub 917	9-13-90	12-4-90	Salisbury	Retire & Remove Track at Mile Post S-3.2, Formerly Serving Food Lion, Inc., at Salisbury
R-29, Sub 918	9-13-90	11-14-90	Winston-Salem	Retire & Remove Track at Mile Post L-4 (Minus 2,461 ft), Formerly Serving P. H. Hanes Knitting Company at Winston-Salem
R-29, Sub 924	9-18-90	12-19-90	Greensboro	Retire & Remove Track No. 4-1 at Mile Post K-3.5 at Greensboro
R-29, Sub 926	10-3-90	12-13-90	Morganton	Retire & Remove Track at Mile Post S-81.4, Formerly Serving Cambro Products at Morganton
R-29, Sub 927	10-12-90	12-13-90	Mebane	Retire & Remove Track No. 32-10 at Mile Post H-31.4, Formerly Serving Dixie Yarns, Inc.
R-29, Sub 930	10-12-90	12-13-90	Durham	Retire & Remove Track No. NWC 7 at Mile Post Duke Belt Line, Formerly Serving Braswell Coal Yard at Durham
R-29, Sub 931	9-25-90	11-29-90	Winston-Salem	Retire & Remove Track No. 4-4 at Mile Post L-3.6
R-29, Sub 932	10-3-90	11-29-90	Gibsonville	Retire & Remove Track at Mile Post H-14.9, Formerly Serving Cone Mills Corporation at Gibsonville
R-29, Sub 940	11-6-90	11-7-90	Winston-Salem	Retire & Remove Track No. 1-3, at Mile Post L-0.5, Formerly Serving Wachovia-Southern Oil at Winston-Salem
R-29, Sub 941	11-19-90	12-19-90	Draper	Retire & Remove Track No. 4, at Mile Post 22.3-L, Formerly Serving Fieldcrest at Draper
R-29, Sub 942	11-6-90	11-7-90	Wilson	Retire & Remove Track Formerly Serving Reynolds Tobacco at Wilson
R-29, Sub 944	11-1-90	12-4-90	Varina	Retire & Remove Track at Mile Post VF-0.7, Formerly Serving Universal Polymer at Varina
R-29, Sub 945	11-27-90	12-19-90	Eden	Retire & Remove Track at Mile Post 24-L, Formerly Serving Light-Weight Block Company at Eden
R-29, Sub 946	11-27-90	12-14-90	Cooleemee	Retire & Remove Company Owned Tract No. 31-1 at Mile Post L-31.0 at Cooleemee
WINSTON-SALEM RAILWAY COMPANY				
R-35, Sub 15	6-19-90	7-27-90	Lexington/Winston-Salem	Change Agency Station at Lexington to a Non-Agency Station and Move Non-Agency Stations of Lexington to Winston-Salem

SUMMARY OF ACTIVITIES--TOTAL--1990

Retire and/or Remove Track - 102

Relocate Agency/Mobile Agency - 2

Abolish Mobile Agency - 1

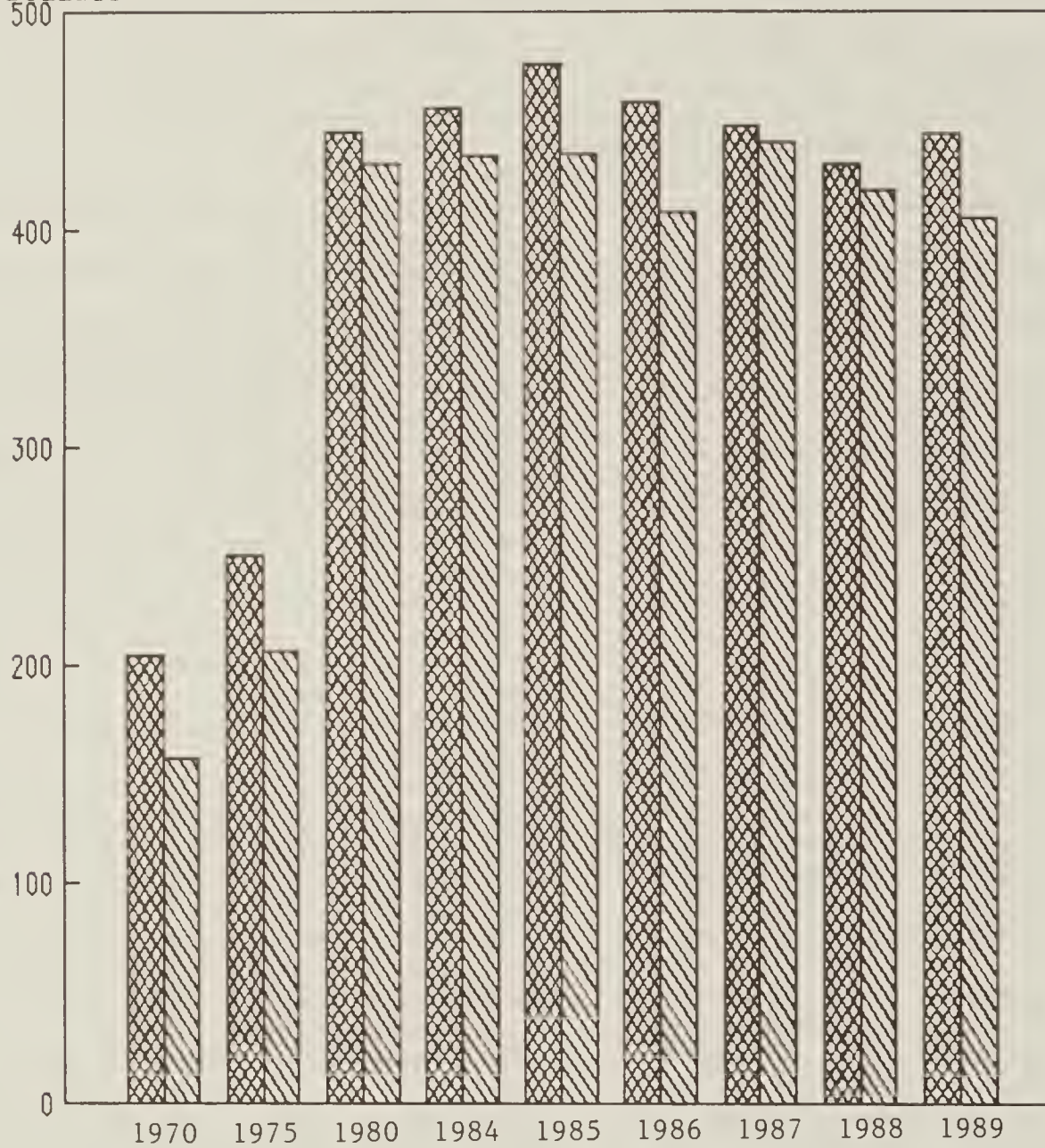
Other - 1

FIGURE NO. 11-4
 Railroad Classes I and III

(North Carolina Data Only)

OPERATING REVENUES, EXPENSES & RATIOS

For the Years 1970, 1975, 1980, 1984, 1985, 1986, 1987, 1988 & 1989
 Millions
 of Dollars



Operating Ratio 77.0% 82.2% 96.7% 95.2% 91.4% 89.8% 98.2% 97.4% 91.3%

Revenues Expenses

FIGURE NO. 11-5

TONS (2000 LBS.) OF REVENUE FREIGHT BY COMMODITY TYPE ORIGINATING IN NORTH CAROLINA
ON CLASS I AND III RAILROADS UNDER REGULATION AT DECEMBER 31, 1989

Group & Commodity	Class I	Class III	Grand Total
01 Farm Products	901,748	646,796	1,548,544
08 Forest Products	296	234,640	234,936
09 Fresh Fish & Other Marine Products	0	0	0
10 Metallic Ores	2,226	0	2,226
11 Coal	128,715	593,426	722,141
13 Crude, Petro, Nat. Gas & Nat. GSLN	0	0	0
14 Nonmetallic Minerals Except Fuels*	2,002,598	101,793	2,104,391
19 Ordinance & Accessories	66,002	1,803	67,805
20 Food & Kindred Products	969,365	230,775	1,200,140
21 Tobacco Products	12,789	0	12,789
22 Textile Mill Products	15,028	0	15,028
23 Apparel & Other Finish. Textile PRD, JNC Knit	1,899	0	1,899
24 Lumber & Wood Products Except. Furn.	2,657,802	37,204	2,695,006
25 Furniture & Fixtures	56,788	14	56,802
26 Pulp, Paper, & Allied Products	1,555,911	166	1,556,077
27 Printed Matter	117	0	117
28 Chemicals & Allied Products	1,958,148	58,643	2,016,791
29 Petroleum & Coal Products	26,591	15,536	42,127
30 Rubber & Miscellaneous Plastic Products	119,664	31	119,695
31 Leather & Leather Products	16	0	16
32 Stone, Clay, Glass, & Concrete Products	1,104,709	20,691	1,125,400
33 Primary Metal Products	119,353	2,254	121,607
34 Fabr. Metal Prod. Exc. Ordn. Mach. & Transpt.	8,985	0	8,985
35 Machinery, Except Electrical	5,056	0	5,056
36 Electrical Machinery, Equip. & Supplies	2,584	0	2,584
37 Transportation Equipment	9,153	1,521	10,674
38 Instruments, Phot. & Optical GD, Watches	0	0	0
39 Miscellaneous Products of Manufacturing	424	447,628	448,052
40 Waste & Scrap Material	995,935	18,101	1,014,036
41 Miscellaneous Freight Shipments	22,965	17,371	40,336
42 Containers, Shipping Returned Empty	35,304	0	35,304
44 Freight Forwarder Traffic	42,552	296	42,848
45 Shipper Assoc. or Similar Traffic	37	0	37
46 Misc. Mixed Shipment Exc. Fwd. & Ship Assoc.	2,189	27,099	29,288
47 Small Package (LCL)	294,438	0	294,438
Other	168,250	436	168,686
Grand Total	13,287,637	2,456,224	15,743,861

*Nonmetallic minerals-Olivine, phosphorous, mica, kaolin, limestone, quartz and silica.

FIGURE NO. 11-6

CLASS I RAILROADS--SUMMARY OF SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1970, 1975, 1980, 1984, 1985, 1986, 1987, 1988 and 1989
(Dollars in Thousands)

ITEM	ALLOCATION OF DATA	1970	1975	1980	1984	1985	1986	1987	1988	1989	% CHANGE 1989-1988
No. of Companies Covered by Data		6	6	6	4	4	3 (1)	3 (1)	2 (2)	2	
Income & Expense Items:											
Operating Revenues	N.C. Total	\$192,795 \$2,072,069	\$237,456 \$2,838,455	\$424,893 \$5,031,268	\$437,461 \$5,651,586	\$465,010 \$6,111,793	\$410,534 \$7,851,905	\$426,588 \$7,964,302	\$407,130 \$8,055,558	\$416,814 \$8,039,832	2.4 (0.2)
Operating Expenses	N.C. Total	\$150,734 \$1,536,621	\$197,725 \$2,127,880	\$412,898 \$4,327,113	\$419,446 \$4,734,373	\$427,386 \$5,443,219	\$369,895 \$6,642,779	\$422,397 \$7,331,365	\$400,070 \$7,220,415	\$384,454 \$6,722,471	(3.9) (6.9)
Net Operating Income	N.C. Total	\$42,061 \$535,448	\$39,731 \$710,575	\$11,995 \$704,155	\$18,015 \$917,213	\$37,624 \$668,574	\$40,639 \$1,209,126	\$4,191 \$632,937	\$7,060 \$835,143	\$32,360 \$1,317,361	358.4 57.7
Fixed Charges	Total	123,631	155,903	192,466	171,083	167,372	241,293	245,892	241,034	299,961	24.4
Other Income (Deductions)	Total	(229,387)	(301,858)	135,765	392,797	232,153	408,031	447,201	265,511	350,519	32.0
Taxes (3)	Total	N/APL.	N/APL.	N/APL.	378,881	246,829	541,805	292,153	352,783	587,876	66.6
Net Income	Total	\$182,430	\$252,814	\$647,454	\$760,043	\$486,526	\$834,059	\$542,093	\$506,837	\$780,043	53.9
State Income Tax	N.C.	\$370	\$584	\$2,611	\$565	\$1,238	\$4,347	\$3,880	\$5,305	\$3,308	(37.6)
Real Estate/Personal Property Taxes	N.C.	3,036	3,420	4,417	7,372	4,913	2,539	3,345	3,933	3,933	11.0
Other N.C. Taxes	N.C.	2,625	4,279	5,240	3,447	5,128	2,430	2,265	2,181	2,484	13.9
Total Taxes Paid or Accrued	N.C.	\$6,031	\$8,283	\$12,268	\$11,384	\$11,279	\$9,316	\$9,490	\$11,029	\$9,725	(11.8)
Operating Ratio	N.C. Total	78.2% 74.2%	83.3% 75.0%	97.2% 86.0%	95.9% 83.8%	91.9% 89.1%	90.1% 84.6%	99.0% 92.1%	98.3% 89.6%	92.2% 83.6%	(6.1) (6.7)
BALANCE SHEET ITEMS:											
Net Book Value--Transportation Property	Total	\$4,597,303	\$5,116,622	\$6,202,901	\$8,415,841	\$10,709,200	\$14,689,687	\$14,744,189	\$14,957,545	\$15,285,363	2.2
STATISTICS:											
Average Miles of Road Operated	N.C. Total	3,705 29,873	3,691 30,310	3,646 29,706	3,218 28,780	3,931 32,547	3,072 40,264	2,945 38,605	2,842 37,238	3,620 35,520	27.4 (4.6)
Freight Revenue	N.C. Total	\$181,027 \$1,972,758	\$230,248 \$2,751,770	\$406,338 \$4,885,219	\$428,787 \$5,499,668	\$454,429 \$5,945,149	\$405,978 \$7,613,661	\$416,569 \$7,725,596	\$396,304 \$7,824,541	\$412,788 \$7,925,758	4.2 1.3
Tons of Revenue Freight Hauled (000s)	N.C. Total	107,529 559,173	99,140 635,355	118,441 586,593	99,535 517,790	111,341 530,873	99,905 691,235	109,409 667,096	108,964 665,546	103,165 668,739	(5.3) 0.5
Freight Revenue Per Ton	N.C. Total	\$1.68 \$3.53	\$2.32 \$4.33	\$3.43 \$8.33	\$4.31 \$10.62	\$4.09 \$11.20	\$4.06 \$11.01	\$3.81 \$11.58	\$3.64 \$11.76	\$4.00 \$11.85	10.0 0.8
Gallons Diesel Fuel Purchased or Used (000s)	N.C. Total	59,518 6,926	59,748 6,556	66,717 6,822	51,453 5,993	47,171 5,314	48,198 4,905	58,792 4,306	55,035 4,406	55,251 4,168	0.4 (5.4)
No. of Employees Allocated (4)	N.C. Total	666,378 \$9,584	\$92,890 \$14,169	\$138,716 \$20,334	\$160,162 \$26,725	\$152,542 \$28,706	\$134,881 \$27,499	\$146,163 \$33,944	\$139,969 \$31,768	\$132,346 \$31,753	(5.4) (0.0)
Average Annual Compensation/Employee	N.C. Total	3,498 39	3,475 25	6,121 34	5,064 16	4,373 11	4,286 17	5,092 20	4,418 19	4,411 20	(0.2) 5.3
Highway Railroad Grade Crossings	N.C. Total	175	129	95	71	84	96	106	72	77	6.9
No. Killed--Grade Crossing Accidents	N.C. Total	175	129	95	71	84	96	106	72	77	6.9

(1) There were two Class I Railroad Companies and one Class II Railroad Company in operation. See Figure No. 11-2 for a listing of the Railroad Companies.

(2) There were two Class I Railroads in 1988; Carolina and Northwestern (Class II) merged with Southern Railroad in 1988.

(3) Taxes have not been broken down for the total company until 1984.

(4) Estimates for 1984.

FIGURE NO. 11-7

RAILROADS--CLASS III SUMMARY OF SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1970, 1975, 1980, 1984, 1985, 1986, 1987, 1988 and 1989
(Dollars in Thousands)

ITEM	Allocation of Data	1970	1975	1980	1984	1985	1986	1987	1988	1989	% Change 1989-1988
No. of Companies Covered by Data: INCOME & EXPENSE ITEMS:		17	17	15	16	12	15	16 (A)	19 (B)	18	
Operating Revenues	N.C. Total	\$11,603 \$16,371	\$12,702 \$17,458	\$19,967 \$26,655	\$18,456 \$18,456	\$10,592 \$10,592	\$19,827 \$19,827	\$21,567 \$22,370	\$22,459 \$23,231	\$26,762 \$28,536	19.2 22.8
Operating Expenses	N.C. Total	\$6,630 \$9,862	\$7,827 \$10,585	\$17,396 \$23,697	\$14,362 \$14,362	\$7,369 \$7,369	\$16,584 \$16,584	\$17,535 \$18,186	\$18,306 \$18,980	\$20,406 \$19,787	11.5 4.3
Net Operating Income Before Taxes	N.C. Total	\$4,973 \$6,509	\$4,875 \$6,873	\$2,571 \$3,158	\$4,094 \$4,094	\$3,243 \$3,243	\$3,243 \$3,243	\$4,032 \$4,184	\$4,153 \$4,251	\$6,356 \$8,749	53.0 105.8
Fixed Charges	Total	1,227	1,492	249	936	890	258	143	323	884	173.7
Other Income (Deductions)	Total	(3,524)	(4,390)	(47)	229	374	(1,476)	(1,027)	(1,245)	(438)	(64.8)
Taxes	Total	1,121	361	356	1,338	731	820	1,366	1,719	1,135	(34.0)
Net Income	Total	\$337	\$1,630	\$2,506	\$2,049	\$1,996	\$689	\$1,648	\$964	\$6,292	552.7
State Income Tax	N.C.	\$129	\$116	\$166	\$189	\$118	\$167	\$292	\$324	\$407	25.6
Real Estate/Pers. Prop. Taxes	N.C.	122	133	74	54	88	91	91	125	186	48.8
Other N.C. Taxes	N.C.	870	112	116	1,095	525	349	965	1,225	499	(59.3)
Total Taxes Paid or Accrued	N.C.	\$1,121	\$361	\$356	\$1,338	\$731	\$607	\$1,348	\$1,674	\$1,092	(34.8)
Operating Ratio (Percent)	N.C. Total	57.1 60.2	61.6 60.6	87.1 88.2	77.8 77.8	69.4 69.4	83.6 83.6	81.3 81.3	81.5 81.7	76.2 69.3	(6.5) (15.1)
BALANCE SHEET ITEM:											
Net Book Value--Transportation Property	Total	\$22,007	\$16,235	\$18,315	\$16,131	\$9,713	\$13,485	\$30,804	\$30,664	\$31,850	3.9
STATISTICS:											
Average Miles of Road Operated	N.C. Total	635 645	478 661	425 583	249 249	294 294	430 430	471 516	581 626	683 730	17.6 16.6
Freight Revenue (000s)	N.C. Total	\$11,442 \$15,830	\$12,226 \$17,043	\$17,557 \$23,632	\$16,440 \$16,440	\$9,082 \$9,082	\$22,248 \$22,248	\$18,118 \$18,897	\$16,308 \$17,029	\$23,073 \$26,766	41.5 45.4
Tons of Revenue Freight Hauled (000s)	N.C. Total	11,155 13,444	7,542 9,515	6,987 8,587	5,263 5,263	3,001 3,001	5,012 5,012	6,562 7,431	6,316 7,121	6,254 6,263	(1.0) (12.0)
Freight Revenue Per Ton	N.C. Total	\$1.03 \$1.18	\$1.62 \$1.79	\$2.50 \$2.75	\$3.12 \$3.12	\$3.03 \$3.03	\$4.44 \$4.44	\$2.76 \$2.54	\$2.58 \$2.39	\$3.69 \$3.95	42.9 65.4
Gal. Diesel Fuel Purchased or Used (000s)	N.C. Total	2,271 414	1,725 313	2,132 209	430 190	1,695 114	171 167	518 235	582 238	581 279	(0.2) 17.2
No. of Employees Allocated	N.C. Total	3,089 \$7,461	\$3,335 \$10,655	\$3,906 \$18,689	\$4,195 \$22,079	\$2,361 \$20,711	\$3,136 \$18,778	\$4,878 \$20,757	\$5,048 \$21,210	\$5,520 \$19,785	9.4 (6.7)
Average Annual Compensation/Employee	N.C. Total	\$7,461	\$10,655	\$18,689	\$22,079	\$20,711	\$18,778	\$20,757	\$21,210	\$19,785	30.1
Highway Railroad Grade Crossings	N.C. Total	864	589	644	411	252	526	627	969	1,261	(100.0)
No. Killed--Grade Crossing Accidents	N.C. Total	0	0	0	0	0	1	0	1	0	200.0
No. Injured--Grade Crossing Accidents	N.C. Total	8	6	1	0	5	2	7	1	3	

(A) The Following Class III Railroad Companies did not file sufficient 1987 data: Aberdeen Carolina & Western, North Carolina & Virginia, The Virginia Southern Division & Warrenton Railroad.

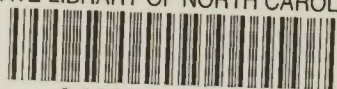
(B) The Following Class III Railroad Companies did not file sufficient 1988 data: The North Carolina & Virginia, The Virginia Southern Division & Warrenton Railroad.

FIGURE NO. 11-8
RAILROADS--GRAND TOTAL--CLASSES I AND III
SUMMARY OF SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1970, 1975, 1980, 1984, 1985, 1986, 1987, 1988 and 1989
(Dollars in Thousands)

ITEM	1970	1975	1980	1984	1985	1986	1987	1988*	1989*	% Change 1989-1988
No. of Companies Covered by Data:(1)	23	23	21	20	18	18	19	21	20	
INCOME & EXPENSE ITEMS:										
Operating Revenues	\$204,398	\$250,158	\$444,860	\$455,917	\$475,602	\$430,361	\$448,155	\$429,589	\$443,576	3.3
Operating Expenses (2)	\$2,088,440	\$2,855,913	\$5,057,923	\$5,670,042	\$6,122,385	\$7,871,732	\$7,986,672	\$8,078,789	\$8,068,368	(0.1)
	157,364	205,552	430,294	433,808	434,735	386,479	439,932	418,376	404,860	(3.2)
	1,546,483	2,138,465	4,350,610	4,748,735	5,450,568	6,659,363	7,349,551	7,239,395	6,742,258	(6.9)
Net Operating Income	\$47,034	\$44,606	\$14,566	\$22,109	\$40,867	\$43,882	\$8,223	\$11,213	\$38,716	245.3
Before Taxes	\$541,957	\$717,448	\$707,313	\$921,307	\$671,817	\$1,212,369	\$637,121	\$839,594	\$1,326,110	58.0
Fixed Charges	124,858	156,395	192,715	172,022	168,262	241,551	246,035	241,357	230,845	(4.4)
Other Income (Deductions)	59,330	98,410	457,601	393,023	232,527	406,555	71,724	264,266	350,081	32.5
Taxes (3)	N/A	N/A	N/A	378,881	247,560	542,825	98,204	354,502	589,011	66.2
Net Income	\$184,186	\$254,805	\$650,316	\$763,427	\$488,522	\$834,748	\$364,606	\$507,801	\$856,335	68.6
State Income Tax	\$499	\$700	\$2,777	\$754	\$1,356	\$4,514	\$4,172	\$5,629	\$3,716	(34.0)
Real Estate/Personal Property Taxes	3,158	3,554	4,491	7,426	5,001	2,630	3,436	3,668	4,119	12.3
Other N.C. Taxes (4)	3,494	4,391	5,356	4,527	5,653	2,779	3,230	3,406	2,983	(12.4)
Total Taxes Paid or Accrued	\$7,151	\$8,645	\$12,624	\$12,722	\$12,010	\$9,923	\$10,838	\$12,703	\$10,818	(14.8)
Operating Ratio (5)	77.0%	82.2%	96.7%	95.2%	91.4%	89.8%	98.2%	97.4%	91.3%	(6.3)
	74.0%	74.9%	86.0%	83.8%	89.0%	84.6%	92.0%	89.6%	83.6%	(6.7)
BALANCE SHEET ITEMS:										
Net Book Value--Transportation Property	\$4,619,310	\$5,132,857	\$6,221,216	\$8,431,972	\$10,718,913	\$14,703,172	\$14,774,993	\$14,988,209	\$15,317,213	2.2
STATISTICS:										
Average Miles of Road Operated	4,340	4,169	4,071	3,467	4,225	3,502	3,451	3,423	4,303	25.7
Freight Revenue	\$192,469	\$242,474	\$423,795	\$465,227	\$463,511	\$428,226	\$434,687	\$412,612	\$435,861	(4.3)
Tons of Revenue Freight Hauled (000s)	118,684	106,682	125,428	104,798	\$5,954,231	\$7,635,909	\$7,744,493	\$7,841,370	\$7,950,524	5.6
Freight Revenue Per Ton	\$1.62	\$2.27	\$3.38	\$4.25	\$3.874	\$4.08	\$3.75	\$3.58	\$3.98	1.4
Gallons Diesel Fuel Purchased or Used (000s)	\$3.47	\$4.29	\$8.25	\$10.55	\$11.15	\$10.97	\$11.48	\$11.66	\$11.78	(5.1)
No. of Employees Allocated (6)	61,789	61,473	68,849	51,883	48,866	48,369	59,310	55,617	55,832	11.3
Total Compensation of Employees (000s) (6)	7,340	6,869	7,031	6,183	5,428	5,072	4,541	4,644	4,447	1.0
Average Annual Compensation/Employee (6)	\$69,467	\$96,225	\$142,622	\$160,162	\$154,903	\$138,017	\$151,041	\$145,017	\$137,866	(4.2)
Highway Railroad Grade Crossings	\$9,464	\$14,009	\$20,285	\$25,904	\$28,538	\$27,212	\$33,262	\$31,227	\$31,002	(4.9)
No. Killed--Grade Crossings	4,362	4,064	6,765	5,475	4,625	4,812	5,719	5,387	5,672	(0.7)
No. Injured--Grade Crossing Accidents	39	25	34	16	11	18	20	20	20	5.3
	183	135	96	71	89	98	113	73	80	0.0

(1) Class III Railroads were exempted from filing an annual report with the North Carolina Utilities Commission (Docket No. R-26, Sub 29, March 5, 1982); therefore some figures may not reflect all the Railroads.
(2) Before tax accruals and net rent
(3) Taxes have not been broken down for the total company until 1984. (4) Includes franchise tax (5) Effective 1-1-78, Class I & II Railroads began recording their operations in conformance with the revised Uniform System of Accounts, resulting in expense reclassifications which affected the net revenue and the operating ratio. This change is reflected in the periods after 1975. The prior years were not restated to reflect the changes. (6) Estimate for 1984
*There were no Class II Railroads in 1988 and 1989. Carolina and Northwestern merged with Southern Railroad of Norfolk Southern Combined Subsidiaries.

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